

# **EXHIBIT 7**

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS**

STATE OF CALIFORNIA;  
COMMONWEALTH OF  
MASSACHUSETTS; STATE OF NEW  
JERSEY; STATE OF COLORADO; STATE  
OF ILLINOIS; STATE OF MARYLAND;  
STATE OF NEW YORK; and STATE OF  
WISCONSIN,

Plaintiffs,

v.

U.S. DEPARTMENT OF EDUCATION;  
DENISE CARTER, in her official capacity  
as former Acting Secretary of Education and  
current acting Chief Operating Officer,  
Federal Student Aid; LINDA MCMAHON,  
in her official capacity as Secretary of  
Education,

Defendants.

Case No. 1:25-cv-10548

**DECLARATION OF BRIANA RONAN, Ed.D.**

I, **Briana Ronan, Ed.D.**, declare as follows:

1. Except for any matters stated on information and belief, all the facts set forth below are based on my personal knowledge. As to any matters stated on information and belief, I believe those facts to be true and correct. If called upon as a witness, I could and would testify competently to the facts and matters set forth below.

2. I am employed by California Polytechnic State University ("CSU") at its San Luis Obispo campus ("Cal Poly SLO") and have been since Fall 2014. I am currently an Associate Professor in the School of Education.

3. My current responsibilities at Cal Poly SLO include, but are not limited to, teaching, presenting, research, and publishing. My research focuses on bilingual education and English language acquisition policies and practices for multilingual learners. I am a member of the following professional associations: American Educational Research Association (AERA), California Association for Bilingual Education (CABE), American Association of Colleges for Teacher Education (AACTE).

4. I am also the Principal Investigator for the TIER Program at Cal Poly SLO.

5. In 2020, the Department of Education ("ED") solicited and invited applications for grants provided under its Teacher Quality Partnership Program ("TQP").

6. As explained and represented by the ED, the purpose of a TQP grant was to incentivize and cause institutions, including universities such as CSU, to implement and undertake programs and initiatives with the objective of improving student achievement at the K-12 level by, among others things, supporting and enhancing the professional development of current teachers, recruiting and training new highly qualified teachers, and recruiting highly qualified individuals in other professions into the teaching profession, especially for hard-to-fill subject areas, like math, science, and special education, and in hard-to-staff school districts in rural and urban areas.

**2020 TQP GRANT NO. S336S200007**

7. Cal Poly Corporation (“CPC”) is a non-profit 501(c)(3) corporation affiliated with CSU’s Cal Poly SLO campus. CPC relied on ED’s statements and representations about the intended purpose of a TQP grant. In 2020, based on ED’s statements and representations, CPC applied for and was subsequently awarded a TQP grant based on an independent evaluation of peer reviewers, with a score of 103 out of a possible 106 on the Technical Review Form.

8. CPC has been using the TQP grant to operate the TIER program at Cal Poly SLO over the past four years from October 1, 2020 to February 13, 2025.

9. TIER addresses a teacher shortage in critical areas, including bilingual education and special education, within high-need schools. TIER is a teaching residency program that trains a skilled workforce and enables them to earn a teaching credential and master’s degree.

During the program, TIER residents receive a living-wage stipend of \$30,000 with the obligation to complete a three year service obligation after graduation in one of our partnering high-needs school districts. The program prioritizes merit, fairness, and excellence in education, using research-based practices.

TIER Partners include 25 high-need schools within Santa Maria Bonita School District and Santa Maria Joint Unified, 7 high-need schools in the Lucia Mar Unified School District, Santa Barbara County and San Luis Obispo County. These partners serve approximately 38,557 Pre-Kindergarten - 12<sup>th</sup> Grade students. Approximately 31 TIER graduates of the TIER program are teaching in local high-needs/high-poverty schools. There are an additional 13 TIER residents who are completing their teaching credential program this year. The TIER program has resulted in faster teacher placement, an increase in teacher retention in partner schools and greater support and resources for students.

10. ED awarded CPC a TQP grant for TIER for a 5-year term from October 1, 2020 through September 30, 2025. The total amount awarded by the TQP grant over the 5-year

period was to total \$2,165,033.00. A true and correct copy of the Grant Award Notification (“GAN”) and attachments, dated September 28, 2020, is attached as Exhibit A. The GAN set out the terms and conditions of the award. As set out in the GAN, ED could terminate the grant only if the recipient or subrecipient (1) “materially fails to comply with any term of an award” (GAN at Attachment 5); or (2) engages in violations of human trafficking (GAN at Attachment 8).

11. In August 2023, CSE received a GAN for the Budget Period October 1, 2023 through September 30, 2024. A true and correct copy of the GAN and attachments, dated August 8, 2023, is attached as Exhibit B. As set out in the GAN, ED could terminate the grant only if the recipient or subrecipient (1) “materially fails to comply with any term of an award” (GAN at Attachment 5); or (2) engages in violations of human trafficking (GAN at Attachment 8).

12. Since its initial award, CPC has used the TQP TIER grant funds in a manner fully consistent with ED’s statements regarding the nature of the TQP grant. CPC has used the TQP funds to support approximately 44 teacher residents participating in the program.

13. The remaining amount of TQP funds that were committed by ED to CPC is approximately \$278,427.55. CPC relied and acted upon its expectation and understanding that ED would fulfill its commitment to provide the TQP funding it had awarded to CPC.

These funds were slated to provide the final installment of living wage stipends to our 13 currently enrolled residents, professional development workshops for residents and their cooperating teachers, induction support for 31 program alumni who are in midst of completing their service obligations, research dissemination at teacher education conferences, and pending program evaluation efforts by WestEd, our external evaluator. The TQP grant requires a staff member who can commit to the grant at 100% FTE, thus the premature ending of our TQP grant results in our Grant Manager’s loss of full-time employment. Additionally, the grant was to cover faculty release and overload hours for grant-related efforts.

14. On February 12, 2025, without any prior notice or indication, CPC received an updated GAN from ED informing CPC that effective that same day the TQP grant was terminated. The purported basis for ED's termination was the "grant is deemed to be inconsistent with, and no longer effectuates, Department priorities.. See 2 C.F.R. § 200.340(a)(4); see also 34 C.F.R. § 75.253." A true and correct copy of the February 12, 2025 GAN is attached as [Exhibit C](#).

15. The day after, on February 13, 2025, CPC received a second GAN. The GAN stated that:

"On Wednesday, February 12, 2025, you received an administrative action notice through the G5 system, alerting you through an updated grant award notice (GAN) that one of your grants had been deemed to be inconsistent with, and no longer effectuates, Department priorities. See 2 C.F.R. 200.340(a)(4); see also 34 C.F.R. 75.253. An email notification terminating the grant should have preceded the administrative action, but in fact, there was a subset of them that were not dispatched until today, Thursday, February 13, 2025. What this means for your grant and program is that the effective date will be extended, and the effective date of the termination action will be as of today, February 13, 2025 instead, and not yesterday, February 12, 2025. We apologize for this timing error, and we regret any confusion or inconvenience the sequence of these actions may have caused."

A true and correct copy of the February 13, 2025 GAN is attached as [Exhibit D](#).

16. Prior to February 12, 2025 and February 13, 2025, there had been no indication from ED that the TQP grant would be terminated or that ED would refuse to provide CPC with the funds ED had committed to. To the contrary, CPC was in communication with their ED program officer regarding year 5 expenditures and upcoming annual reports. In early January, the CPC team along with other 2020 TQP awardees was invited by ED to a TQP awardee event at the 2025 American Association of Colleges for Teacher Education (AACTE) meeting at the end of February 2025, and to the SEED Summit/Director's meeting scheduled to be held in Washington DC in June 2025. Our team made plans to attend both

events. We received confirmation from ED of our attendance at the EED Summit scheduled for June 11, 2025.

Additionally, the ED program officer reached out to CPC on February 3, 2025 to schedule our typical quarterly monitoring call with the CPC team. I responded to the ED program officer on February 4, 2025 and scheduled a monitoring call for March 4, 2025. The ED program officer sent out a calendar invite for the March 4, 2025 monitoring call. This calendar invite remained on my calendar until February 28, 2025, when it was deleted by someone at ED.

On February 12, 2025 after receiving the first GAN that day, I contacted our POs to clarify if our grant was cancelled. An ED program specialist replied later that date, noting that our grant was not cancelled and would continue. On the morning of February 13, 2025, our ED grant officer emailed informing us and other TQP 2020 recipients that monitoring calls would still occur but would be rescheduled. All of these actions indicated to us that our grant was still continuing and there was no indication that it would be terminated later that day.

17. On February 13, 2025, I received an email with an attached letter from ED “S336S200007\_CAL\_POLY\_CORPORATION.pdf”. The letter alleged that the TQP grant had provided funding for programs that “promote or take part in DEI initiatives or other initiatives that unlawfully discriminate on the basis of race, color, religion, sex, national origin, or another protected characteristic”; “violate either the letter or purpose of Federal civil rights law”; “conflict with the Department’s policy of prioritizing merit, fairness, and excellence in education”; “are not free from fraud, abuse, or duplication”; or “otherwise fail to serve the best interests of the United States.” A true and correct copy of ED’s letter is attached as Exhibit E.

18. Prior to the receipt of Exhibit E, ED had never provided CPC with any notice, written or otherwise, that CPC had allegedly used the funds from Grant No. S336S200007 to engage in any of the activities described in the letter. ED had never suggested, implied

or provided notice to CPC that CPC had used those funds to promote or take part in DEI initiatives or other initiatives that unlawfully discriminate on the basis of race, color, religion, sex, national origin, or another protected characteristic; to violate the letter or purpose of Federal civil rights law; to act in conflict with ED's policy of prioritizing merit, fairness, and excellence in education; to engage in fraud, abuse, or duplication; or to otherwise fail to serve the best interests of the United States. The letter was the first time CPC had ever heard or was informed of those allegations.

19. Other than the TQP grant, CPC has no other funds to operate the TIER Program. The sudden elimination and termination of the TQP grant will have an immediate negative impact on teacher residents and high-needs/high-poverty K-12 schools and students. At the outset of the program, participating residents were expressly promised financial stipends in the amount of \$30,000 each. As of February 27, 2025, residents have received payments that fall significantly short of this promised amount. Furthermore, the full-time grant manager was provided explicit assurances of continued employment through the full duration of the grant period. However, following the sudden and premature termination of the grant without prior notice, this employee has been abruptly placed in the position of seeking alternative employment while simultaneously being required to complete the closure and reconciliation of pending grant-related activities, expenditures, and projects previously supported by the grant.

20. Through the TQP grant, CPC provides financial assistance to residents which allows them to spend time teaching in high-need or high-poverty K-12 schools. There are approximately 13 residents enrolled in the TIER program and receiving financial assistance who are completing their teaching credential and Master's degrees. Without the financial assistance provided through the TQP grant, these residents will not be able to complete their program of study as intended. This will further exacerbate and worsen the dire teacher shortage in those districts. Below we list the impacts on various participants and stakeholders of our grant:



*Impact on Teacher Residents (Approx. 13 Residents)*

**Financial Instability & Hardship:** Without the financial assistance provided through the TQP grant, residents will face immediate financial hardship, making it difficult for them to afford tuition, living expenses, and costs associated with completing their credential and Master's degrees.

**Inability to Complete Program Requirements:** Many residents depend on these funds to meet basic living needs while completing their full-time residency in high-need schools. The loss of funding may force them to seek alternative employment, reducing the time available for student teaching and jeopardizing their ability to fulfill program requirements.

**Delayed or Abandoned Credential Completion:** Some residents may be unable to finish their credential and degree programs on time, delaying their entry into the teaching workforce or forcing them to drop out altogether, further exacerbating teacher shortages in high-need areas.

**Loan Dependency & Debt Burden:** Residents may be forced to take on additional loans or debt to continue their education, creating long-term financial burdens that could deter future candidates from enrolling in similar programs.

*Impact on High-Need and High-Poverty Schools*

**Disruptions in Classroom Instruction:** TQP-funded residents provide critical instructional support in high-need and high-poverty K-12 schools. A sudden loss of these teachers-in-training could create instability in classrooms, negatively affecting student learning outcomes.

**Increased Teacher Shortages:** Many of these residents would have gone on to serve as full-time teachers in high-need schools upon completing their credentials. The loss of funding may significantly reduce the pipeline of trained teachers entering these districts, worsening existing staffing shortages.

**Higher Teacher Turnover Rates:** Without new credentialed teachers from the TIER program entering the workforce, schools may be forced to rely on emergency credentialed or less-qualified teachers, leading to lower instructional quality and increased turnover.

*Impact on School District Partners & Program Stability*

**Loss of Investment in Teacher Training Pipelines:** Partner school districts that have invested time and resources into mentoring and training these residents will experience disruptions in their teacher pipeline. This creates inefficiencies in recruitment efforts and increases the long-term cost of hiring and retaining quality educators.

**Diminished Program Reputation & Recruitment Challenges:** The termination of grant funding could damage the credibility of the TIER program and make it more difficult to recruit future cohorts of aspiring teachers. Potential candidates may be deterred from applying due to financial instability and uncertainty regarding program sustainability.

**Harm to Institutional & Grant Commitments:** The early termination of grant funding undermines commitments made to residents, school partners, and faculty involved in the program. Institutions and organizations that administer the grant may face reputational damage and loss of trust from stakeholders.

**Strain on University & Program Faculty:** Faculty and program administrators responsible for supporting residents must now navigate abrupt programmatic changes, which may lead to increased workloads, difficulty in program planning, and decreased capacity to provide necessary academic and professional support to residents.

**Potential Non-Compliance with Grant Obligations:** If funding was committed for the full duration of residents' participation in the program, its termination could result in compliance issues, particularly if residents were recruited under specific financial assistance guarantees.

**Immediate & Imminent Harms if Funding is Not Reinstated:** Residents may have to withdraw from the program within weeks or months due to financial hardship. High-need K-12 schools may lose instructional support, further straining already under-resourced

classrooms. School districts may have to modify their hiring plans due to the sudden reduction in anticipated teacher candidates. Faculty and program administrators will need to rapidly adjust curricula, partnerships, and student support services to address the loss of financial assistance. The long-term teacher workforce pipeline for high-need schools will be severely weakened, exacerbating educational inequities.

21. CPC has objected to ED's termination of the TQP grant, specifically requesting that ED hold the termination in abeyance and continue to provide funding while the objection is considered and/or void the termination and reinstate the obligated funds. CPC requested that ED respond by 9 a.m. (PST) March 3, 2025 as to whether it will take one or both of the above requested actions. As of the date of this Declaration, ED has not responded to CPC's appeal.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge.

Executed March 5, 2025, in San Luis Obispo, California.

/s/ Briana Ronan, Ed.D.

Briana Ronan, Ed.D.

EXHIBIT A

S336S200007

Briana Ronan

Cal Poly Corporation

1 Grand Avenue

San Luis Obispo, CA 93407

S336S200007

Amy Velasco  
Cal Poly Corporation  
1 Grand Avenue  
San Luis Obispo, CA 93407



**US Department of Education  
Washington, D.C. 20202**

S336S200007

**GRANT AWARD NOTIFICATION**

<b>1</b>	<b>RECIPIENT NAME</b>  Cal Poly Corporation 1 Grand Avenue San Luis Obispo, CA 93407	<b>2</b>	<b>AWARD INFORMATION</b>  PR/AWARD NUMBER      S336S200007 ACTION NUMBER          1 ACTION TYPE              New AWARD TYPE               Discretionary																			
<b>3</b>	<b>PROJECT STAFF</b>  <b>RECIPIENT PROJECT DIRECTOR</b> Briana Ronan                      (805) 756-5056 <a href="mailto:bronan@calpoly.edu">bronan@calpoly.edu</a> <b>EDUCATION PROGRAM CONTACT</b> Mia Howerton                      (202) 205-0147 <a href="mailto:Mia.Howerton@ed.gov">Mia.Howerton@ed.gov</a> <b>EDUCATION PAYMENT HOTLINE</b> G5 PAYEE HELPDESK              888-336-8930 <a href="mailto:edcaps.user@ed.gov">edcaps.user@ed.gov</a>	<b>4</b>	<b>PROJECT TITLE</b>  84.336S Cal Poly TIER: Teaching for Inclusivity and Equity Residency Program																			
<b>5</b>	<b>KEY PERSONNEL</b>  <table> <thead> <tr> <th><u>NAME</u></th><th><u>TITLE</u></th><th><u>LEVEL OF EFFORT</u></th></tr> </thead> <tbody> <tr> <td>Briana Ronan</td><td>Project Director</td><td>25 %</td></tr> <tr> <td>Amy Velasco</td><td>Authorized Representative</td><td>1 %</td></tr> </tbody> </table>			<u>NAME</u>	<u>TITLE</u>	<u>LEVEL OF EFFORT</u>	Briana Ronan	Project Director	25 %	Amy Velasco	Authorized Representative	1 %										
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<b>9</b>	<b>LEGISLATIVE AND FISCAL DATA</b>  <table> <tbody> <tr> <td>AUTHORITY:</td><td>PL P.L. 110-315 TITLE II HIGHER EDUCATION ACT, AS AMENDED</td></tr> <tr> <td>PROGRAM TITLE:</td><td>TEACHER QUALITY ENHANCEMENT GRANTS FOR STATE AND PARTNERSHIPS</td></tr> <tr> <td>CFDA/SUBPROGRAM NO:</td><td>84.336S</td></tr> </tbody> </table>			AUTHORITY:	PL P.L. 110-315 TITLE II HIGHER EDUCATION ACT, AS AMENDED	PROGRAM TITLE:	TEACHER QUALITY ENHANCEMENT GRANTS FOR STATE AND PARTNERSHIPS	CFDA/SUBPROGRAM NO:	84.336S													
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## GRANT AWARD NOTIFICATION

FUND CODE	FUNDING YEAR	AWARD YEAR	ORG. CODE	CATEGORY	LIMITATION	ACTIVITY	CFDA	OBJECT CLASS	AMOUNT
0201A	2020	2020	ES000000	B	JDK	000	336	4101C	\$134,288.00
10	PR/AWARD NUMBER:			S336S200007					
	RECIPIENT NAME:			Cal Poly Corporation					
	GRANTEE NAME:			CAL POLY CORPORATION					
				1 GRAND AVE,					
				SAN LUIS OBISPO, CA 93407 - 0707					
	PROGRAM INDIRECT COST TYPE:			Restricted					
	PROJECT INDIRECT COST RATE:			2%					
	TERMS AND CONDITIONS								
	(1) THE FOLLOWING ITEMS ARE INCORPORATED IN THE GRANT AGREEMENT:								
	1) THE RECIPIENT'S APPLICATION (BLOCK 2);								
2) THE APPLICABLE EDUCATION DEPARTMENT REGULATIONS: 2 CFR PART 180, NONPROCUREMENT DEBARMENT AND SUSPENSION AS ADOPTED AT 2 CFR PART 3485; 2 CFR PART 200 AS ADOPTED AT 2 CFR 3474 (BLOCK 8), AND 34 CFR PARTS 75, 77, 79, 81, 82, 84, 86, 97, 98, 99; AND THE PROGRAM REGULATIONS SPECIFIED IN BLOCK 8; AND									
3) THE SPECIAL TERMS AND CONDITIONS SHOWN AS ATTACHMENTS IN BLOCK 8 ON THE INITIAL AWARD APPLY UNTIL CHANGED.									
THIS AWARD SUPPORTS ONLY THE BUDGET PERIOD SHOWN IN BLOCK 6. IN ACCORDANCE WITH 34 CFR 75.253, THE SECRETARY CONSIDERS, AMONG OTHER THINGS, CONTINUED FUNDING IF:									
1) CONGRESS HAS APPROPRIATED SUFFICIENT FUNDS UNDER THE PROGRAM,									
2) THE DEPARTMENT DETERMINES THAT CONTINUING THE PROJECT WOULD BE IN THE BEST INTEREST OF THE GOVERNMENT,									
3) THE GRANTEE HAS MADE SUBSTANTIAL PROGRESS TOWARD MEETING THE GOALS AND OBJECTIVES OF THE PROJECT,									
4) THE SECRETARY ESTABLISHED PERFORMANCE MEASUREMENT REQUIREMENTS FOR THE GRANT IN THE APPLICATION NOTICE, THE PERFORMANCE TARGETS IN THE GRANTEE'S APPROVED APPLICATION,									
5) THE RECIPIENT HAS SUBMITTED REPORTS OF PROJECT PERFORMANCE AND BUDGET EXPENDITURES THAT MEET THE REPORTING REQUIREMENTS FOUND AT 34 CFR 75.118, 2 CFR 200.327 AND 200.328, AND ANY OTHER REPORTING REQUIREMENTS ESTABLISHED BY THE SECRETARY,									
6) THE GRANTEE HAS MAINTAINED FINANCIAL AND ADMINISTRATIVE MANAGEMENT SYSTEMS THAT MEET THE REQUIREMENTS IN 2 CFR 200.302, FINANCIAL MANAGEMENT, AND 2 CFR 200.303, INTERNAL CONTROLS.									
IN ACCORDANCE WITH 2 CFR 200.308(c)(2) CHANGES TO KEY PERSONNEL IDENTIFIED IN BLOCK 5 MUST RECEIVE PRIOR APPROVAL FROM THE DEPARTMENT.									
THE SECRETARY ANTICIPATES FUTURE FUNDING FOR THIS AWARD ACCORDING TO THE SCHEDULE IDENTIFIED IN BLOCK 6. THESE FIGURES ARE ESTIMATES ONLY AND DO NOT BIND THE SECRETARY TO FUNDING THE AWARD FOR THESE PERIODS OR FOR THE SPECIFIC AMOUNTS SHOWN. THE RECIPIENT WILL BE NOTIFIED OF SPECIFIC FUTURE FUNDING ACTIONS THAT THE SECRETARY TAKES FOR THIS AWARD.									
(2) The Office of Management and Budget requires all Federal agencies to assign a Federal Award Identifying Number (FAIN) to each of their financial assistance awards. The PR/AWARD NUMBER identified in Block 2 is your FAIN.									





**US Department of Education  
Washington, D.C. 20202**

**GRANT AWARD NOTIFICATION**

If subawards are permitted under this grant, and you choose to make subawards, you must document the assigned PR/ AWARD NUMBER (FAIN) identified in Block 2 of this Grant Award Notification on each subaward made under this grant. The term subaward means:

1. A legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
  2. The term does not include your procurement of property and services needed to carry out the project or program (The payments received for goods or services provided as a contractor are not Federal awards, see 2 CFR 200.501(f) of the OMB Uniform Guidance: "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards").
  3. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.
- (3) You are authorized, in carrying out this grant, to utilize the higher threshold set for micro-purchase and simplified acquisition thresholds for federal assistance under this grant or under a contract you award under this grant established by recent statutory changes. These statutory changes raise the threshold for micro-purchases under Federal financial assistance awards to \$10,000 and raise the threshold for simplified acquisitions to \$250,000 for recipients. These higher thresholds are not effective until implemented in the Federal Acquisition Regulations (FAR) at 48 CFR Subpart 2.1 (Definitions), which has not yet occurred. See 2 CFR 200.67 and 200.88. For FY 2018, OMB is granting an exception allowing recipients to use the higher thresholds in advance of changes to the FAR. Please refer to Office of Management and Budget's Memorandum 18-18 regarding the statutory changes. If you have any questions about these regulations, please contact the program officer identified in Block 3 of this GAN.
- (4) Unless this grant solely funds research, you must comply with new regulations regarding awards to faith-based organizations (FBOs) that provide beneficiary services under this grant or under a contract you award to provide beneficiary services under this grant. These new regulations clarify the rights of FBOs and impose certain duties on FBOs regarding the referral of beneficiaries they serve. See 34 CFR 75.52, 75.712-75.714, appendix A to part 75, and 2 CFR 3474.15. The Department has established a web page that provides guidance on the new regulations, including FAQs and other implementation tools, which is available at <http://www2.ed.gov/policy/fund/reg/fbci-reg.html>. If you have any questions about these regulations, please contact the Education Program Contact identified in Block 3 of this GAN.
- (5) Reimbursement of indirect costs is subject to the availability of funds and statutory and regulatory restrictions. The negotiated indirect cost rate agreement authorizes a non-Federal entity to draw down indirect costs from the grant awards. The following conditions apply to the below entities.

A. All entities (other than institutions of higher education (IHE))

The GAN for this grant award shows the indirect cost rate that applies on the date of the initial grant for this project. However, after the initial grant date, when a new indirect cost rate agreement is negotiated, the newly approved indirect cost rate supersedes the indirect cost rate shown on the GAN for the initial grant. This new indirect cost rate should be applied according to the period specified in the indirect cost rate agreement, unless expressly limited under EDGAR or program regulations. Any grant award with an approved budget can amend the budget to account for a change in the indirect cost rate. However, for a discretionary grant award any material changes to the budget which may impact the scope or objectives of the grant must be discussed with the program officer at the Department. See 34 CFR 75.560 (d)(3) (ii) (part 75 of EDGAR).

B. Institutions of higher education (IHE)

Under 2 CFR part 200, Appendix III, Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs), the Department must apply the negotiated indirect cost rate in effect on the date of the initial grant award to every budget period of the project, including all continuation grants made for this project. See 2 CFR Part 200, Appendix III, paragraph C.7. Therefore, the GAN for each continuation grant will show



**US Department of Education  
Washington, D.C. 20202**

S336S200007

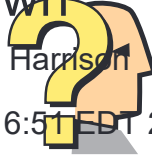
**GRANT AWARD NOTIFICATION**

the original indirect cost rate and it applies to the entire period of performance of this project. If the indirect cost rate agreement that is applicable to this grant does not extend to the end of the grant s project period, the indirect cost rate set at the start of the project period must still be applied to the end of project period regardless of the fact that the rate has otherwise expired.

Validity unknown

Digitally signed by Lisa Harrison

Date: Mon Sep 28 20:16:51 EDT 2020



\_\_\_\_\_  
**AUTHORIZING OFFICIAL**

\_\_\_\_\_  
**DATE**

**EXPLANATION OF BLOCKS ON THE GRANT AWARD NOTIFICATION**

**For Discretionary, Formula and Block Grants** (See Block 2 of the Notification)

- 1. RECIPIENT NAME** - The legal name of the recipient or name of the primary organizational unit that was identified in the application, state plan or other documents required to be submitted for funding by the grant program.
- 2. AWARD INFORMATION** - Unique items of information that identify this notification.
  - PR/AWARD NUMBER** - A unique, identifying number assigned by the Department to each application. On funded applications, this is commonly known as the "grant number" or "document number." The PR/Award Number is also known as the Federal Award Identifying Number, or FAIN.
  - ACTION NUMBER** - A numeral that represents the cumulative number of steps taken by the Department to date to establish or modify the award through fiscal or administrative means. Action number "01" will always be "NEW AWARD"
  - ACTION TYPE** - The nature of this notification (e.g., NEW AWARD, CONTINUATION, REVISION, ADMINISTRATIVE)
  - AWARD TYPE** - The particular assistance category in which funding for this award is provided, i.e., DISCRETIONARY, FORMULA, or BLOCK. If this award was made under a Research and Development grant program, the terms RESEARCH AND DEVELOPMENT will appear under DISCRETIONARY, FORMULA OR BLOCK.
- 3. PROJECT STAFF** - This block contains the names and telephone numbers of the U.S. Department of Education and recipient staff who are responsible for project direction and oversight.
  - \*RECIPIENT PROJECT DIRECTOR** - The recipient staff person responsible for administering the project. This person represents the recipient to the U.S. Department of Education.
  - EDUCATION PROGRAM CONTACT** - The U.S. Department of Education staff person responsible for the programmatic, administrative and business management concerns of the Department.
  - EDUCATION PAYMENT CONTACT** - The U.S. Department of Education staff person responsible for payments or questions concerning electronic drawdown and financial expenditure reporting.
- 4. PROJECT TITLE AND CFDA NUMBER** - Identifies the Catalog of Federal Domestic Assistance (CFDA) subprogram title and the associated subprogram number.
- 5.\* KEY PERSONNEL** - Name, title and percentage (%) of effort the key personnel identified devotes to the project.
- 6. AWARD PERIODS** - Project activities and funding are approved with respect to three different time periods, described below:
  - BUDGET PERIOD** - A specific interval of time for which Federal funds are being provided from a particular fiscal year to fund a recipient's approved activities and budget. The start and end dates of the budget period are shown.
  - PERFORMANCE PERIOD** - The complete length of time the recipient is proposed to be funded to complete approved activities. A performance period may contain one or more budget periods.
  - \*FUTURE BUDGET PERIODS** - The estimated remaining budget periods for multi-year projects and estimated funds the Department proposes it will award the recipient provided substantial progress is made by the recipient in completing approved activities, the Department determines that continuing the project would be in the best interest of the Government, Congress appropriates sufficient funds under the program, and the recipient has submitted a performance report that provides the most current performance information and the status of budget expenditures.
- 7. AUTHORIZED FUNDING** - The dollar figures in this block refer to the Federal funds provided to a recipient during the award periods.
  - \*THIS ACTION** - The amount of funds obligated (added) or de-obligated (subtracted) by this notification.
  - \*BUDGET PERIOD** - The total amount of funds available for use by the grantee during the stated budget period to this date.
  - \*PERFORMANCE PERIOD** - The amount of funds obligated from the start date of the first budget period to this date.
  - RECIPIENT COST SHARE** - The funds, expressed as a percentage, that the recipient is required to contribute to the project, as defined by the program legislation or regulations and/or terms and conditions of the award.
  - RECIPIENT NON-FEDERAL AMOUNT** - The amount of non-federal funds the recipient must contribute to the project as identified in the recipient's application. When non-federal funds are identified by the recipient where a cost share is not a legislation requirement, the recipient will be required to provide the non-federal funds.
- 8. ADMINISTRATIVE INFORMATION** - This information is provided to assist the recipient in completing the approved activities and managing the project in accordance with U.S. Department of Education procedures and regulations.

**DUNS/SSN** - A unique, identifying number assigned to each recipient for payment purposes. The number is based on either the recipient's assigned number from Dun and Bradstreet or the individual's social security number.

**\*REGULATIONS** - Title 2 of the Code of Federal Regulations(CFR), Part 200 as adopted at 2 CFR 3474; the applicable parts of the Education Department General Administrative Regulations (EDGAR), specific program regulations (if any), and other titles of the CFR that govern the award and administration of this grant.

**\*ATTACHMENTS** - Additional sections of the Grant Award Notification that discuss payment and reporting requirements, explain Department procedures, and add special terms and conditions in addition to those established, and shown as clauses, in Block 10 of the award. Any attachments provided with a notification continue in effect through the project period until modified or rescinded by the Authorizing Official.

**9. LEGISLATIVE AND FISCAL DATA** - The name of the authorizing legislation for this grant, the CFDA title of the program through which funding is provided, and U.S. Department of Education fiscal information.

**FUND CODE, FUNDING YEAR, AWARD YEAR, ORG.CODE, PROJECT CODE, OBJECT CLASS -**

The fiscal information recorded by the U.S. Department of Education's Grants Management System (G5) to track obligations by award.

**AMOUNT** - The amount of funds provided from a particular appropriation and project code. Some notifications authorize more than one amount from separate appropriations and/or project codes. The total of all amounts in this block equals the amount shown on the line, "THIS ACTION" (See "AUTHORIZED FUNDING" above (Block 7)).

**10. TERMS AND CONDITIONS** - Requirements of the award that are binding on the recipient.

**\*PARTICIPANT NUMBER** - The number of eligible participants the grantee is required to serve during the budget year.

**\*GRANTEE NAME** - The entity name and address registered in the System for Award Management (SAM). This name and address is tied to the DUNS number registered in SAM under the name and address appearing in this field. This name, address and the associated DUNS is what is displayed in the SAM Public Search.

**\*PROGRAM INDIRECT COST TYPE** - The type of indirect cost permitted under the program (i.e. Restricted, Unrestricted, or Training).

**\*PROJECT INDIRECT COST RATE** - The indirect cost rate applicable to this grant.

**\*AUTHORIZING OFFICIAL** - The U.S. Department of Education official authorized to award Federal funds to the recipient, establish or change the terms and conditions of the award, and authorize modifications to the award

**FOR FORMULA AND BLOCK GRANTS ONLY:**

(See also Blocks 1, 2, 4, 6, 8, 9 and 10 above)

**3. PROJECT STAFF** - The U.S. Department of Education staff persons to be contacted for programmatic and payment questions.

**7. AUTHORIZED FUNDING**

**CURRENT AWARD AMOUNT** - The amount of funds that are obligated (added) or de-obligated (subtracted) by this action.

**PREVIOUS CUMULATIVE AMOUNT** - The total amount of funds awarded under the grant before this action.

**CUMULATIVE AMOUNT** - The total amount of funds awarded under the grant, this action included.

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\* This item differs or does not appear on formula and block grants.

UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF THE CHIEF FINANCIAL OFFICER  
& CHIEF INFORMATION OFFICER

Briana Ronan  
Cal Poly Corporation  
1 Grand Avenue

San Luis Obispo, CA 93407

SUBJECT: Payee Identification for Grant Award S336S200007

This is to inform you that the United States Department of Education does not have a payee and bank account of record designated for the above listed grant award. You will not be able to request funds for this grant award until a payee and bank account of record are established.

- 1) All SF-1199A, Direct Deposit and Fedwire Sign-Up forms must be mailed to the Department of Education. The SF-1199A must contain original signatures for both the recipient and bank officials.
- 2) First time recipients establishing a bank account for a new award must include a copy of the grant award document with the cover letter and SF-1199A, Direct Deposit or Fedwire Sign-Up forms.
- 3) The Grant Administration and Payment System (GAPS) has been enhanced to produce an automated notification when bank account data has been changed or deleted. This automated notification is transmitted via e-mail to Payees having e-mail capacity or mailed to recipients without an e-mail address.
- 4) All banking information requests, including establishing a new bank account, modifying an existing bank account or deleting a bank account must be accompanied with a cover letter requesting the specific action. The cover letter must be on the letterhead of the requesting payee. The cover letter must contain the following information:
  - DUNS Number
  - e-mail address (if available) for the person to receive automated notification
  - signature and phone number of the person requesting the bank information change

Mail Cover Letters and accompanying forms to:

U.S. Department of Education  
400 Maryland Ave, SW, Rm. 4C146  
Washington, DC 20202-4110  
Attn: Financial Management Operations

If you have any questions or require assistance concerning establishing a payee record for a bank account please contact the G5 Hotline at 1-888-336-8930.

Dear G5 Payee:

To obtain your G5 Login ID, you will need to complete the G5 External User Access Request Form and return it notarized to the U.S. Department of Education. Attached are the instructions for accessing and completing the form. Upon receiving the notarized form, the Department will send you an email with your new G5 Login ID.

Please mail the form to:

U.S. Department of Education  
Office of the Chief Information Officer  
Mail Stop - 4110  
400 Maryland Avenue S.W.  
Washington, DC 20202  
Attn: Functional Applications Team

Thank you for your continued support of the U.S. Department of Education's G5 Grant Management System. Please contact the G5 Hotline (888-336-8930) if you have any

Sincerely,  
G5 Administration

## Instructions for Completing the G5 External User Access Request Form

To establish direct access to your U.S. Department of Education G5 Grant Management System account, please complete the G5 External User Access Request Form attached, have it notarized, and mail the completed form to the address below.

### Steps for Completing the G5 External User Access Request Form -

1. Go to <http://www.g5.gov> and click on the link, "Not Registered? Sign up".
2. Complete each data element of the form including the following elements:
  - a. User Type (Select Payee unless you are specifically a Servicer)
  - b. Dun and Bradstreet Number (DUNS)
  - b. Desired Role (Select Full Access to enable you to continue to draw funds, or View Only if you will only need to review account activity).
3. Print the form and then Submit your online registration.
4. You will immediately receive an email asking you to activate your account.
5. Click on the link in the email and select your password and Secret Question and Answer.
6. Congratulations! You now have an active account. Only one more step!!
7. Sign the printed (from step 3) G5 External User Access Request Form as the Authorized Payee in the presence of a Notary Public.
8. Assure the G5 External User Access Request Form is notarized with appropriate seal and signature and expiration date.
9. Mail the completed, notarized G5 External User Access Request Form to the following address:  
**U.S. Department of Education**  
**Office of the Chief Information Officer**  
**Mail Stop - 4110**  
**400 Maryland Avenue S.W.**  
**Washington DC 20202**  
**Attn: Functional Applications Team**
10. Allow two weeks for delivery and account updates.
11. You will receive Email notification that your G5 External User Access Request Form has been processed and your roles have been assigned.
12. Congratulations, You're now able to access G5 directly.

As always, please contact the G5 Hotline (888-336-8930) with any questions.



**INSTRUCTIONS**  
**ACH DIRECT DEPOSIT SIGN-UP FORM**  
**SF-1199A**

Recipients can obtain an SF-1199A (Figure D-1) from their financial institution. The preprinted instructions on the reverse side of the SF-1199A should be disregarded and the following instructions should be followed in completing the SF-1199A.

The recipient is to complete Sections 1 and 2 of the SF-1199A. The recipient's financial institution is to complete Section 3 and mail the completed form to the Department of Education. The financial institution will mail a copy of the completed SF-1199A to the recipient.

**INSTRUCTIONS - SECTION 1**

ITEM A	Name of Payee	Enter the name and address of payee's organization.
	Address	Enter telephone number of person authorized to certify the
	Telephone Number	payment request.
ITEM B	Name of Person(s) Entitled to Payment	Leave Blank.
ITEM C	Claim or Payroll ID Number	Enter the following information Prefix: 9 digit D-U-N-S Number, Suffix: 11 character Grant Award nUmber.
ITEM D	Type of Depositor	Place an "X" in the Appropriate Box.
ITEM E	Depositor Account	Enter the payee's account number at the financial institution in which funds are to be deposited. Include blanks or dashes when entering the account number.
ITEM F	Type of Payment	Enter "X" in the "Other" box.
ITEM G	Box for Allotment of Payment Only	Leave Blank.
Payee/Joint Certification		Authorized Certifying Official for the payee is to sign the form.

**INSTRUCTIONS - SECTION 2**

Government Agency Name	Enter:	U.S. Department of Education
Government Agency Address	Enter:	400 Maryland Avenue, SW
		Room 4C138
		Washington, DC 20202

**INSTRUCTIONS - SECTION 3**

To be completed by financial institution.



Director, Financial Payment Group  
U.S. Department of Education  
400 Maryland Avenue, SW  
Washington, DC 20202 - 4331

Ref: PR/Award No. S336S200007

Dear Sir:

Please transfer FEDWIRE payments for Cal Poly Corporation to the following financial institution and depositor account beginning on this date: Month\_\_\_\_, Day\_\_\_\_, Year\_\_\_\_.

Information regarding the financial institution to which payments for D-U-N-S\_\_\_\_\_ are to be transferred is provided below.

Financial Institution

Name:\_\_\_\_\_  
Street:\_\_\_\_\_  
City:\_\_\_\_\_  
State:\_\_\_\_\_  
Zip:\_\_\_\_\_

ABA Number:\_\_\_\_\_  
Account Number:\_\_\_\_\_  
Contact Name:\_\_\_\_\_  
Telephone No:\_\_\_\_\_

Corresponding Bank (if applicable):

Name:\_\_\_\_\_  
Street:\_\_\_\_\_  
City:\_\_\_\_\_  
State:\_\_\_\_\_  
Zip:\_\_\_\_\_

ABA Number:\_\_\_\_\_  
Telegraphic Abbrev.:\_\_\_\_\_

Please update my account with the information as indicated above. If you have any questions, I may be reached at (\_\_\_\_)  
\_\_\_\_\_.

Sincerely,

Chief Financial Officer

GRANT ATTACHMENT 1  
PAGE 1 OF 2

**SPECIFIC GRANT CONDITIONS FOR PAYMENTS**

**THE G5 PAYMENTS MODULE**

Payments under this award will be made through the Payments module of the U.S. Department of Education's (Department) electronic grants system, G5. G5 is administered by the Office of Finance and Operations, Office of Business Support Services.

The internet address for G5 is <https://www.g5.gov>. To access the G5 Payments module, grantee representatives must have individual G5 accounts under their personal name and unique email address, with the Payee role assigned and associated to the Unique Entity Identifier (UEI)\* of the grantee organization. The UEI number is identified in **Block 8** of the **Grant Award Notification**.

To establish a G5 Payee account, go to the *"Not Registered? Sign Up"* link on the G5 Home Page and follow the prompts to create an account. When prompted to select a role, choose "Payee (Full Access)," enter the requested information, including UEI of the grantee organization, and click "Submit." This will generate an External User Access Request Form, which must be printed out, signed by an authorizing official of the grantee organization, notarized (universities may use a university stamp), and mailed to the following address:

U.S. Department of Education  
Office of Finance and Operations  
Mail Stop 7062  
Attn: G5 Functional Application Team  
400 Maryland Avenue, SW  
Washington, DC 20202

In addition to establishing individual Payee account(s) in G5, new grantees are required to provide depositor account information via a completed SF1199A form. Multiple Payee users can be associated to a particular grantee institution in the G5 system, allowing for back-up Payee users to draw funds when a primary Payee user is away.

Payee users may begin requesting funds for the grantee once the award authorization is entered into G5, the award start date is reached, and a completed SF1199A is received and processed by the Department (if one does not already exist for a previous award).

The Department of Education's On Demand Training can be found by clicking on the "Help" menu at <https://www.g5.gov>. The guide provides detailed instructions on all G5 processes. For additional assistance, grantees may contact the G5 Hotline at (888) 336-8930. The Hotline is available Monday through Friday, from 8 a.m. to 6 p.m. Eastern time, except on Federal holidays.

GRANT ATTACHMENT 1  
PAGE 2 OF 2

REQUESTING FUNDS USING THE G5 PAYMENTS MODULE

To access the G5 Payments module, payees need a web browser (such as Microsoft Internet Explorer) and Internet connectivity. Payees will request funds by award using **the PR/Award Number** found in **Block 5** of the **Grant Award Notification**. Instructions for navigating through the G5 Payments screens to make a payment request are provided in the G5 On Demand training located under the “Help” link.

G5 users with the Payee role who are unable to access G5 may request funds by calling the G5 Hotline at (888)336-8930.

AWARD INFORMATION

G5 users with the Payee role can view the following information in G5 on grant awards associated to the UEI on their account:

- x Net authorization and authorization history;
- x Net draws;
- x Available balance;
- x History of pending and completed payments;
- x Award status; and
- x Award history - including detailed transactions on drawdowns, returns, refunds, and adjustments.

\*ED currently uses the Data Universal Numbering System (DUNS) number, assigned by Dun and Bradstreet, INC. to uniquely identify business entities, as the UEI.

**SPECIFIC GRANT TERMS AND CONDITIONS FOR  
FINANCIAL AND PERFORMANCE REPORTS**

**PERFORMANCE REPORTS:**

**ALL RECIPIENTS** are required to submit a final performance report within 90 days after the expiration or termination of grant support.

**ALL RECIPIENTS** of a multi-year discretionary award must submit an annual Grant Performance Report (34 CFR 75.118). The annual performance report shall provide the most current performance and financial expenditure information that is sufficient to meet the reporting requirements of 2 CFR 200.327 and 200.328 and 34 CFR 75.590 and 75.720.

**YOUR EDUCATION PROGRAM CONTACT WILL PROVIDE YOU WITH INFORMATION ABOUT YOUR PERFORMANCE REPORT SUBMISSIONS, INCLUDING THE DUE DATE, AS A GRANT TERM OR CONDITION IN BOX 10 ON THE GRANT AWARD NOTIFICATION (GAN), OR THROUGH ANOTHER NOTIFICATION AT A LATER TIME. THE GRANT TERM OR CONDITION IN BOX 10 ON THE GAN OR ANOTHER NOTIFICATION MAY REFLECT ANY OF THE FOLLOWING:**

1. That a performance report is due before the next budget period begins. The report should contain current performance and financial expenditure information for this grant (34 CFR 75.118), and will:
  - a. Identify the date the continuation report is due; or
  - b. State that the Department will provide recipients with additional information about this report, including due date, at a later time.
2. That an interim performance report is required because of the nature of the award or because of statutory or regulatory provisions governing the program under which this award is made, and that the report is due more frequently than annually as indicated, i.e., due quarterly and submitted within 30 days after the end of each quarter, or due semiannually and submitted within 30 days after the end of each 6-month period:
3. That other reports are required, e.g., program specific reports required in a program's statute or regulation.

**FINANCIAL REPORTS:**

**IF A FINANCIAL REPORT IS REQUIRED, YOUR EDUCATION PROGRAM CONTACT WILL PROVIDE YOU WITH INFORMATION ABOUT YOUR FINANCIAL REPORT SUBMISSION, INCLUDING THE DUE DATE, AS A GRANT TERM OR CONDITION IN BOX 10 ON THE GRANT AWARD NOTIFICATION (GAN), OR THROUGH ANOTHER NOTIFICATION AT A LATER TIME.**

A Standard Form 425 Federal Financial Report (FFR) is required if:

1. A grant involves cost sharing, and the ED 524B, which collects cost sharing information, is not submitted or a program-specific report approved by OMB does not collect cost sharing information;
2. Program income was earned;
3. Indirect cost information is to be reported and the ED 524B was not used or a program-specific report approved by OMB does not collect indirect cost information;
4. Program regulations or statute require the submission of the FFR; and
5. Specific Award Conditions, or specific grant or subgrant conditions for designation of “high risk,” were imposed in accordance with 2 C.F.R. part 200.207 and part 3474.10 and required the submission of the FFR.

**IF THE FFR IS REQUIRED, THE NOTIFICATION MAY INDICATE ONE OF THE FOLLOWING:**

1. Quarterly - FFRs are required for reporting periods ending on 12/31, 03/31, 06/30, 09/30, and are due within 45 days after each reporting period.
2. Semi-annual - FFRs are required for reporting periods ending on 03/31 and 09/30, and are due within 45 days after each reporting period.
3. Annual - FFRs are required for reporting period ending 09/30, and is due within 45 days after the reporting period.
4. Final - FFRs are due within 90 days after the project or grant period end date.

When completing an FFR for submission, the following must be noted:

1. While the FFR is a government wide form that is designed for single grant and multiple grant award reporting, the U.S. Department of Education's (EDs) policy is that multiple grant award reporting is not permitted for ED grants. Thus, an ED grantee that is required to submit an FFR in accordance with any of the above referenced selections must complete and submit one FFR for each of its grants. The FFR attachment (Standard Form 425A), which is available for reporting multiple grants, is not to be used for ED grants. As such, references to multiple grant reporting and to the FFR attachment in items 2, 5 and 10 of the FFR are not applicable to ED grantees. With regards to item 1 of the note found in the Federal Financial Report Instructions, it is EDs policy that a grantee must complete items 10(a) through 10(o) for each of its grants. The multiple award, multiple grant, and FFR attachment references found in items 2, 5, 6, before 10(a), in item 10(b), before 10(d), before 10(i) and before 10(l) of the Line Item Instructions for the Federal Financial Report are not applicable to ED grants.
2. Unless disallowed by statute or regulation, a grantee will complete item 10(m) or 10(n) in accordance with the options or combination of options as provided in 2 CFR Part 200.307. A grantee is permitted, in accordance with 2 CFR Part 200.307, to add program income to its Federal share to further eligible project or program objectives; use program income to finance the non-Federal share of the project or program; and deduct program income from the Federal share of the total project costs.
3. A grantee will complete item 11(a) by listing the rate type identified in its indirect cost rate agreement, as approved by its cognizant agency. An ED grantee that does not have an indirect cost rate agreement approved by its cognizant agency, and that is using the ED approved temporary rate of 10% of budgeted direct salaries and wages, or the de minimis rate of 10 percent of modified total direct cost (MTDC) consisting of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and subcontracts up to the first \$25,000 of each subaward (i.e. subgrant) or subcontract, must list its rate in 11(a) as an ED Temporary Rate or De Minimis Rate. A grantee may only use the de minimis rate if it has never negotiated an indirect cost rate with its cognizant agency, and it is not subject to ED's training rate or supplement-not-supplant provisions. In addition, States, Local Governments and Indian Tribes may not use the de minimis rate; thus, this rate may only be used by institutions of higher education (IHE) and non-profit organizations. A training program grantee whose recovery of indirect cost is limited to 8% of a modified total direct cost base in accordance with EDGAR § 75.562 (c), must list its rate as an ED Training Grant Rate. A restricted rate program grantee (such as one with a supplement-not-supplant grant provision) that has not negotiated an indirect cost agreement with its cognizant agency and that has limited the recovery of indirect costs in accordance with 34 CFR 75.563 and 76.564 (c), must list its rate as an ED Restricted Rate.
4. Quarterly, semi-annual, and annual interim reports shall be due within 45 days after the end of the reporting period. Although the Office of Management and Budget (OMB) published in its December 7, 2007 Federal Register Notice (72 FR 69236) that interim reports are due within 45 days of the interim reporting end dates instead of within 30 days as originally identified, OMB has not revised the FFR instructions to reflect this change. Grantees are, nevertheless, permitted to exercise the 45 day period as published by OMB within the Federal Register. Final reports shall be due no later than 90 days after the project or grant period end date. Extensions of reporting due dates may be approved by the program office upon request by the grantee.

**GRANT ATTACHMENT 2**  
**PAGE 4 OF 4**

5. If grantees need additional space to report financial information, beyond what is available within the FFR, they should provide supplemental pages. These additional pages must indicate the following information at the top of each page: PR/Award Number, recipient organization, Unique Entity Identifier (UEI)\*, Employer Identification Number (EIN), and period covered by the report.

**One original and one copy of all reports should be submitted.**

\*ED currently uses the Data Universal Numbering System (DUNS) number from Dun and Bradstreet as the unique entity identifier.

**An Overview of Single Audit Requirements of States,  
Local Governments, and Non-Profit Organizations**

To meet audit requirements of U.S. Office of Management and Budget (OMB) Uniform Guidance: Cost Principles, Audit, and Administrative Requirements for Federal Awards (Uniform Guidance), grantees must submit all documents required by Uniform Guidance 2 CFR 200.512, including Form SF-SAC: Data Collection Form, to:

Federal Audit Clearinghouse  
1201 East 10th Street  
Jeffersonville, Indiana 47132  
(301) 763-1551 (voice)  
(800) 253-0696 (toll free)  
(301) 457-1540 (fax)

Below is a summary of the single audit requirements:

- 1) Single Audit. A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with 2 CFR 200.514, "Scope of Audit," except when it elects to have a program specific audit conducted.
- 2) Program-specific audit election. When an auditee expends Federal awards under only one Federal program (excluding R&D), and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted. A program-specific audit may not be elected for R&D unless all of the Federal awards expended were received from the same Federal agency, or the same Federal agency and the same pass-through entity, and that Federal agency, or pass-through entity in the case of a subrecipient, approves in advance a program-specific audit.
- 3) Exemption when Federal awards expended are less than \$750,000. A non-Federal entity that expends less than \$750,000 during the non-Federal entity's fiscal year in Federal awards is exempt from Federal audit requirements for that year, except as noted in 2 CFR 200.503, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO).



**GRANT ATTACHMENT 3**  
**PAGE 2 OF 3**

4) Federally Funded Research and Development Centers (FFRDC). Management of an auditee that owns or operates a FFRDC may elect to treat the FFRDC as a separate entity.

5) Report Submission. The audit must be completed, and the data collection form and reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period. If the due date falls on a Saturday, Sunday, or Federal holiday, the reporting package is due the next business day. Unless restricted by Federal statutes or regulations, the auditee must make copies available for public inspection. Auditees and auditors must ensure that their respective parts of the reporting package do not include protected personally identifiable information. (2 CFR 200.512)

Grantees are strongly urged to obtain the "OMB Compliance Supplement" and to contact their cognizant agency for single audit technical assistance.

The designated cognizant agency for single audit purposes is "the Federal awarding agency that provides the predominant amount of direct funding to the recipient." Grantees should obtain a copy of the OMB Compliance supplement. This supplement will be instructive to both grantees and their auditors. Appendix III of the supplement provides a list of Federal Agency Contacts for Single Audits, including addresses, phone numbers, fax numbers, and e-mail addresses for technical assistance.

If the U.S. Department of Education is the cognizant agency, grantees should contact the Non-Federal Audit Team in the Department's Office of Inspector General, at the address, phone, or fax number provided on page 3 of this attachment.

Grantees can obtain information on single audits from:

The OMB web site. The Internet address is [www.omb.gov](http://www.omb.gov). Look under OMB "In this section", Management, then in OFFM (Office of Federal Financial Management). (To obtain OMB Compliance Supplement, and Form SF-SAC: Data Collection Form)

The Federal Audit Clearinghouse, 1-800-253-0696 (to obtain Form SF-SAC: Data Collection Form), or

The American Institute of Certified Public Accountants (AICPA). AICPA has illustrative OMB Single Audit report examples that might be of interest to accountants, auditors, or financial staff. The examples can be obtained by their fax hotline: (202) 938-3797, request document number 311; or from their Internet page. The Internet address is [www.aicpa.org](http://www.aicpa.org).

**GRANT ATTACHMENT 3**  
**PAGE 3 OF 3**

If the U.S. Department of Education is the cognizant agency for the grantee organization, the following shows, according to the location of the grantee entity, which location of the Office of Inspector General to contact for single audit-related questions. For programmatic questions, grantees should contact the Education Program Contact shown on the Department's Grant Award Notification.

U.S. Department of Education Non-Federal Audit Teams

Director, Non-Federal Audits  
Office of Inspector General  
U.S. Department of Education  
Wanamaker Building  
100 Penn Square East, Suite 502  
Philadelphia, PA 19107  
Phone: Voice (215) 656-6900  
FAX (215) 656-6397

NATIONAL OFFICE CONTACT and audits in Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, Puerto Rico, and the Virgin Islands.

Non-Federal Audit Team  
Office of Inspector General  
U.S. Department of Education  
1999 Bryan Street, Suite 2630  
Dallas, TX 75201-6817  
Phone: Voice (214) 880-3031  
FAX (214) 880-2492

For audits in Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas.

Non-Federal Audit Team  
Office of Inspector General  
U.S. Department of Education  
8930 Ward Parkway, Suite 2401  
Kansas City, MO 64114-3302  
Phone: Voice (816) 268-0502  
FAX (816) 823-1398

For audits in Alaska, Arizona, California, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, North Dakota, Ohio, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming, and the Pacific Islands.

## GRANT ATTACHMENT 6

### Request for Approval of Program Income

In projects that generate program income, the recipient calculates the amount of program income according to the guidance given in 2 CFR Part 200.307.

**\*\*\* IF YOU RECEIVED YOUR GRANT AWARD NOTIFICATION ELECTRONICALLY AND YOU ARE SUBJECT TO ANY OF THE RESTRICTIONS IDENTIFIED BELOW, THE RESTRICTION(S) WILL APPEAR IN BOX 10 ON YOUR GRANT AWARD NOTIFICATION AS A GRANT TERM OR CONDITION OF THE AWARD. \*\*\***

Unless checked below as NOT ALLOWED, the recipient may exercise any of the options or combination of options, as provided in 2 CFR Part 200.307, for using program income generated in the course of the recipient's authorized project activities:

- ☐ Not Allowed Adding program income to funds committed to the project by the Secretary and recipient and using it to further eligible project or program objectives;
- ☐ Not Allowed Using program income to finance the non-Federal share of the project or program; and
- ☐ Not Allowed Deducting program income from the total allowable cost to determine the net allowable costs.

**GRANT ATTACHMENT 8**

Trafficking in Persons

The Department of Education adopts the requirements in the Code of Federal Regulations at 2 CFR 175 and incorporates those requirements into this grant through this condition. The grant condition specified in 2 CFR 175.15(b) is incorporated into this grant with the following changes. Paragraphs a.2.ii.B and b.2. ii. are revised to read as follows:

“a.2.ii.B. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 34 CFR part 85.”

“b.2. ii. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 34 CFR part 85.”

Under this condition, the Secretary may terminate this grant without penalty for any violation of these provisions by the grantee, its employees, or its subrecipients.

GRANT ATTACHMENT 9  
PAGE 1 of 2**Reporting Prime Awardee Executive Compensation Data as Required under the Federal Funding Accountability and Transparency Act**

The Federal Funding Accountability and Transparency Act (FFATA) is designed to increase transparency and improve the public's access to Federal government information. To this end, FFATA requires that executive compensation data be reported for all new Federal grants funded at \$25,000 or more that meet the reporting conditions as set forth in this grant award term, and that are awarded on or after October 1, 2010. For FFATA reporting purposes, the prime awardee (i.e. the grantee) is the entity listed in box 1 of the Grant Award Notification.

**a. Reporting Total Compensation of the Prime Awardee's Executives:**

1. ***Applicability and what to report.*** The prime awardee must report total compensation for each of its five most highly compensated executives for the preceding completed fiscal year, if all of the following conditions are applicable: —
  - i. the total Federal funding authorized to date under this award is \$25,000 or more; **and**
  - ii. in the preceding fiscal year, the prime awardee received--
    - (A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
    - (B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
  - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Securities and Exchange Commission total compensation filings at [www.sec.gov/answers/execomp.htm](http://www.sec.gov/answers/execomp.htm)).
2. ***Where, what and when to report.*** The prime awardee must report executive compensation described in paragraph a.1. of this grant award term as part of its registration profile in the System for Award Management ([www.SAM.gov](http://www.SAM.gov)).
  - i. The types of compensation that must be reported for each subrecipient are listed in the definition of "total compensation" appearing in item b of this grant award term. If this is the first award the prime awardee has received that is subject to the reporting requirements in paragraph a.1., the prime awardee must report by the end of the month following the month in which this award is made, and on each anniversary of this award.

GRANT ATTACHMENT 9  
PAGE 2 of 2

**b. Definitions. For purposes of this grant award term:**

**1. *Entity*** means all the following, as defined in 2 CFR Part 25:

- i. A Governmental organization, which is a State, local government, or Indian tribe;
- ii. A foreign public entity;
- iii. A domestic or foreign nonprofit organization;
- iv. A domestic or foreign for-profit organization;
- v. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

**2. *Executive*** means officers, managing partners, or any other employees in management positions.

**3. *Total compensation*** means the cash and noncash dollar value earned by the executive during the prime awardee's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

- i. Salary and bonus.
- ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
- iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
- iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
- v. Above-market earnings on deferred compensation which is not tax-qualified.

Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

**GRANT ATTACHMENT 11**

**SPECIFIC CONDITIONS FOR DISCLOSING  
FEDERAL FUNDING IN PUBLIC ANNOUNCEMENTS**

When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, U.S. Department of Education grantees shall clearly state:

- 1) the percentage of the total costs of the program or project which will be financed with Federal money;
- 2) the dollar amount of Federal funds for the project or program; and
- 3) the percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

Recipients must comply with these conditions under Division B, Title V, Section 505 of Public Law 115-245, Consolidated Appropriations Act, 2019.

**GRANT ATTACHMENT 12**

**PROHIBITION OF TEXT MESSAGING AND EMAILING WHILE  
DRIVING DURING OFFICIAL FEDERAL GRANT BUSINESS**

Federal grant recipients, sub recipients and their grant personnel are prohibited from text messaging while driving a government owned vehicle, or while driving their own privately-owned vehicle during official grant business, or from using government supplied electronic equipment to text message or email when driving.

Recipients must comply with these conditions under Executive Order 13513, “Federal Leadership on Reducing Text Messaging While Driving,” October 1, 2009.

03/2020



**GRANT ATTACHMENT 13****Registration of Unique Entity Identifier (UEI) Number and Taxpayer Identification Number (TIN) in the System for Award Management (SAM)**

The U.S. Department of Education (Education) Grants Management System (G5) disburses payments via the U.S. Department of Treasury (Treasury). The U.S. Treasury requires that we include your Tax Payer Identification Number (TIN) with each payment. Therefore, in order to do business with Education you must have a registered Unique Entity Identifier (UEI)\* and TIN number with the SAM, the U.S. Federal Government's primary registrant database. If the payee UEI number is different than your grantee UEI number, both numbers must be registered in the SAM. Failure to do so will delay the receipt of payments from Education.

A TIN is an identification number used by the Internal Revenue Service (IRS) in the administration of tax laws. It is issued either by the Social Security Administration (SSA) or by the IRS. A Social Security number (SSN) is issued by the SSA whereas all other TINs are issued by the IRS.

The following are all considered [TINs according to the IRS](#).

- x Social Security Number "SSN"
- x Employer Identification Number "EIN"
- x Individual Taxpayer Identification Number "ITIN"
- x Taxpayer Identification Number for Pending U.S. Adoptions "ATIN"
- x Preparer Taxpayer Identification Number "PTIN"

If your UEI number is not currently registered with the SAM, you can easily register by going to [www.sam.gov](http://www.sam.gov). Please allow 3-5 business days to complete the registration process. If you need a new TIN, please allow 2-5 weeks for your TIN to become active. If you need assistance during the registration process, you may contact the SAM Federal Service Desk at 866-606-8220.

If you are currently registered with SAM, you may not have to make any changes. However, please take the time to validate that the TIN associated with your UEI is correct.

If you have any questions or concerns, please contact the G5 Hotline at 888-336-8930.

\*Currently, ED uses the Data Universal Numbering System (DUNS) number, assigned by Dun and Bradstreet, INC. to uniquely identify business entities, as the UEI.

**GRANT ATTACHMENT 14**  
**PAGE 1 of 2**

**SYSTEM FOR AWARD MANAGEMENT AND UNIVERSAL IDENTIFIER REQUIREMENTS**

**1. Requirement for System for Award Management (SAM)**

Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the SAM until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

**2. Requirement for Unique Entity Identifier (UEI)\* Numbers**

If you are authorized to make subawards under this award, you:

1. Must notify potential subrecipients that no entity (see definition in paragraph C of this award term) may receive a subaward from you unless the entity has provided its UEI number to you.
2. May not make a subaward to an entity unless the entity has provided its UEI number to you.

**3. Definitions**

For purposes of this award term:

1. System for Award Management (SAM) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM Internet site (currently at <http://www.sam.gov>).
2. Unique Entity Identifier (UEI) means the identifier required for SAM registration to uniquely identify business entities. Currently the Data Universal Numbering System (DUNS) number, the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B), is used to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866-705-5711) or the Internet (currently at <http://fedgov.dnb.com/webform>).
3. Entity, as it is used in this award term, means all of the following, as defined at 2 CFR part 25, subpart C:
  - a. A Governmental organization, which is a State, local government, or Indian Tribe;
  - b. A foreign public entity;
  - c. A domestic or foreign nonprofit organization;
  - d. A domestic or foreign for-profit organization; and
  - e. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
4. Subaward:
  - a. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
  - b. The term does not include your procurement of property and services needed to carry out the project or program (see 2 CFR 200.501 of the OMB "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards").

**GRANT ATTACHMENT 14**  
**PAGE 2 of 2**

- c. A subaward may be provided through any legal agreement, including an agreement that you consider a contract.
5. Subrecipient means an entity that:
- a. Receives a subaward from you under this award; and
  - b. Is accountable to you for the use of the Federal funds provided by the subaward.

\*Currently, ED uses the Data Universal Numbering System (DUNS) number, assigned by Dun and Bradstreet, INC. to uniquely identify business entities, as the UEI.

03/2020

**THE USE OF GRANT FUNDS FOR CONFERENCES AND MEETINGS**

You are receiving this memorandum to remind you that grantees must take into account the following factors when considering the use of grant funds for conferences and meetings:

- x Before deciding to use grant funds to attend or host a meeting or conference, a grantee should:
  - o Ensure that attending or hosting a conference or meeting is consistent with its approved application and is reasonable and necessary to achieve the goals and objectives of the grant;
  - o Ensure that the primary purpose of the meeting or conference is to disseminate technical information, (e.g., provide information on specific programmatic requirements, best practices in a particular field, or theoretical, empirical, or methodological advances made in a particular field; conduct training or professional development; plan/coordinate the work being done under the grant); and
  - o Consider whether there are more effective or efficient alternatives that can accomplish the desired results at a lower cost, for example, using webinars or video conferencing.
- x Grantees must follow all applicable statutory and regulatory requirements in determining whether costs are reasonable and necessary, especially the Cost Principles for Federal grants set out at 2 CFR Part 200 Subpart E of the, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards." In particular, remember that:
  - o Federal grant funds cannot be used to pay for alcoholic beverages; and
  - o Federal grant funds cannot be used to pay for entertainment, which includes costs for amusement, diversion, and social activities.
- x Grant funds may be used to pay for the costs of attending a conference. Specifically, Federal grant funds may be used to pay for conference fees and travel expenses (transportation, per diem, and lodging) of grantee employees, consultants, or experts to attend a conference or meeting if those expenses are reasonable and necessary to achieve the purposes of the grant.
  - o When planning to use grant funds for attending a meeting or conference, grantees should consider how many people should attend the meeting or conference on their behalf. The number of attendees should be reasonable and necessary to accomplish the goals and objectives of the grant.
- x A grantee hosting a meeting or conference may not use grant funds to pay for food for conference attendees unless doing so is necessary to accomplish legitimate meeting or conference business.
  - o A working lunch is an example of a cost for food that might be allowable under a Federal grant if attendance at the lunch is needed to ensure the full participation by conference attendees in essential discussions and speeches concerning the purpose of the conference and to achieve the goals and objectives of the project.
- x A meeting or conference hosted by a grantee and charged to a Department grant must not be promoted as a U.S. Department of Education conference. This means that the seal of the U.S. Department of Education must not be used on conference materials or signage without Department approval.
  - o All meeting or conference materials paid for with grant funds must include appropriate disclaimers, such as the following:

The contents of this (insert type of publication; e.g., book, report, film) were developed under a grant from the Department of Education. However, those contents do not necessarily represent the policy of the Department of Education, and you should not assume endorsement by the Federal Government.

- x Grantees are strongly encouraged to contact their project officer with any questions or concerns about whether using grant funds for a meeting or conference is allowable prior to committing grant funds for such purposes.
  - o A short conversation could help avoid a costly and embarrassing mistake.
- x Grantees are responsible for the proper use of their grant awards and may have to repay funds to the Department if they violate the rules on the use of grant funds, including the rules for meeting- and conference-related expenses.

GAN ENCLOSURE 1  
PAGE 1 OF 8

**KEY FINANCIAL MANAGEMENT REQUIREMENTS FOR DISCRETIONARY  
GRANTS AWARDED BY THE DEPARTMENT OF EDUCATION  
(DEPARTMENT)**

The Department expects grantees to administer ED grants in accordance with generally accepted business practices, exercising prudent judgment so as to maintain proper stewardship of taxpayer dollars. This includes using fiscal control and fund accounting procedures that insure proper disbursement of and accounting for Federal funds. In addition, grantees may use grant funds only for obligations incurred during the funding period.

Title 2 of the Code of Federal Regulations Part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” establishes requirements for Federal awards made to non-Federal entities. The Education General Administrative Regulations in 34 CFR (EDGAR) 75, 76, 77, 79, 81, 82, 84, 86, 97, 98, and 99] contain additional requirements for administering discretionary grants made by this Department. The most recent version of these regulations may be accessed at the following URLs:

[The Education General Administrative Regulations \(EDGAR\)](#)

[2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

The information on page 2, "Selected Topics in Administering ED Discretionary Grants," highlights major administrative requirements of 2 CFR Part 200. In addition, a few of the topics discuss requirements that this Department imposes on its discretionary grantees under EDGAR, Part 75 (Direct Grants). The specific sections of 2 CFR Part 200 and of EDGAR that address the topics discussed are shown in parentheses. The Department urges grantees to read the full text of these and other topics in EDGAR and in 2 CFR Part 200.

Grantees are reminded that a particular grant might be subject to additional requirements of the authorizing statute for the program that awarded the grant and/or any regulations issued by the program office. Grantees should become familiar with those requirements as well, because program-specific requirements might differ from those in 2 CFR Part 200 and in EDGAR.

The Department recommends that the project director and the fiscal management staff of a grantee organization communicate frequently with each other about the grant budget. Doing so will help to assure that you use Federal funds only for those expenditures associated with activities that conform to the goals and objectives approved for the project.

**GAN ENCLOSURE 1**

**PAGE 2 OF 8**

Grantees may direct any questions regarding the topics discussed on page 2 ,  
"Selected Topics in Administering ED Discretionary Grants," or about any other  
aspect of administering your grant award to the ED program staff person named  
in Block 3 of the Grant Award Notification.

## SELECTED TOPICS IN ADMINISTERING ED DISCRETIONARY GRANTS

### I. Financial Management Systems (2 CFR Part 200.302)

In general, grantees are required to have financial management systems that:

- \* provide for accurate, current, and complete disclosure of results regarding the use of funds under grant projects;
- \* provide adequate source documentation for Federal and non-Federal funds used under grant projects;
- \* contain procedures to determine the allowability, allocability, and reasonableness of obligations and expenditures made by the grantee; and
- \* enable the grantee to maintain effective internal control and fund accountability procedures, e.g., requiring separation of functions so that the person who makes obligations for the grantee is not the same person who signs the checks to disburse the funds for those obligations.

State systems must account for funds in accordance with State laws and procedures that apply to the expenditure of and the accounting for a State's own funds. A State's procedures, as well as those of its subrecipients and cost-type contractors, must be sufficient to permit the preparation of reports that may be required under the award as well as provide the tracing of expenditures to a level adequate to establish that award funds have not been used in violation of any applicable statutory restrictions or prohibitions.

### II. Payment (2 CFR Part 200.305)

Under this part --

- \* the Department pays grantees in advance of their expenditures if the grantee demonstrates a willingness and ability to minimize the time between the transfer of funds to the grantee and the disbursement of the funds by the grantee;
- \* grantees repay to the Federal government interest earned on advances; and
- \* grantees subject to Part 74 deposit grant funds in interest-bearing accounts (grantees subject to part 80 are encouraged to also deposit grant funds in interest-bearing accounts).



**GAN ENCLOSURE 1**  
**PAGE 4 OF 8**

In general, grantees should make payment requests frequently, only for small amounts sufficient to meet the cash needs of the immediate future.

The Department has recently encountered situations where grantees failed to request funds until long after the grantee actually expended its own funds for the costs of its grant. Grantees need to be aware that, by law, Federal funds are available for grantees to draw down for only a limited period of time, after which the funds revert to the U.S. Treasury. In some cases grantees have requested funds too late for the Department to be able to pay the grantees for legitimate costs incurred during their project periods. The Department urges financial managers to regularly monitor requests for payment under their grants to assure that Federal funds are drawn from the ED G5 Payment System at the time those funds are needed for payments to vendors and employees.

**III. Personnel (EDGAR §§ 75.511-75.519 and 2 CFR Part 200 Subpart E)**

The rules in Part 75 cover issues such as paying consultants with grant funds, waiving the requirement for a full-time project director, making changes in key project staff, and prohibiting dual compensation of staff. General rules governing reimbursement of salaries and compensation for staff working on grant projects are addressed in the cost principles in 2 CFR Part 200 Subpart E. In all cases, payments of any type to personnel must be supported by complete and accurate records of employee time and effort. For those employees that work on multiple functions or separately funded programs or projects, the grantee must also maintain time distribution records to support the allocation of employee salaries among each function and separately funded program or project.

**IV. Cost Principles (2 CFR Part 200 Subpart E)**

All costs incurred under any grant are subject to the cost principles found in 2 CFR Part 200 Subpart E. The cost principles provide lists of selected items of allowable and unallowable costs, and must be used in determining the allowable costs of work performed under the grant.

**V. Procurement Standards (2 CFR Part 200.317-326)**

Under 2 CFR Part 200.317, States are required to follow the procurement rules the States have established for purchases funded by non-Federal sources. When procuring goods and services for a grant's purposes, all other grantees may follow their own procurement procedures, but only to the extent that those procedures meet the minimum requirements for procurement specified in the regulations. These requirements include written competition procedures and codes of conduct for grantee staff, as well as requirements for cost and price analysis, record-

**GAN ENCLOSURE 1**  
**PAGE 5 OF 8**

keeping and contractor compliance with certain Federal laws and regulations. These regulations also require grantees to include certain conditions in contracts and subcontracts, as mandated by the regulations and statutes.

**VI. Indirect Costs (EDGAR §§75.560-564 and 2 CFR Part 200.414)**

***For programs reimbursing the full share of indirect costs (Full reimbursement):***

The Department reimburses grantees for its portion of indirect costs that a grantee incurs. Any grantee charging indirect costs to a grant must use the indirect cost rate (ICR), negotiated with its *cognizant agency*, i.e., either the Federal agency from which it has received the most direct funding, subject to indirect cost support, the particular agency specifically assigned cognizance by the Office of Management and Budget, or the State agency that provides the most subgrant funds to the grantee.

If a grantee has not established a current ICR with its cognizant agency at the time of award, the Department generally will authorize the grantee to use a temporary rate, of 10 percent of budgeted direct salaries and wages, or a de minimus rate of 10 percent of MTDC consisting of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and subcontracts up to the first \$25,000 of each subaward (i.e. subgrant) or subcontract.

Use of the temporary rate of 10 percent of budgeted direct salaries and wages is subject to the following limitations:

1. The grantee may only recover indirect cost incurred at the start of the next grant budget period.
2. The grantee may not request additional funds to recover indirect costs. If the grantee believes that the indirect rate recovery is less than it should be, the grantee should submit an indirect cost proposal for the next full fiscal year to the ED Indirect Cost Group for negotiation of an indirect cost rate agreement.

Use of the de minimus rate of 10 percent of MTDC consisting of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and subcontracts up to the first \$25,000 of each subaward (i.e. subgrant) or subcontract is subject to the following limitations:

1. In accordance with 2 CFR 200.414(f), States, Local Governments and Indian Tribes may not use the de minimus rate; thus, this rate may only be used by institutions of higher education (IHE), and non-profit organizations.

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**PAGE 6 OF 8**

2. Grantees that are subject to ED's training grant and supplement-not-supplant provisions may not use the de minimis rate.
3. The de minimis rate may be used indefinitely; however, if a qualifying grantee chooses to use the de minimis rate to recover indirect costs, it must do so for all of its Federal awards until such time as the grantee negotiates an ICR with its cognizant agency.
4. Once a grantee obtains a federally recognized ICR that is applicable to its grant, the grantee may use that ICR to claim indirect cost reimbursement accordingly:
  - a. The grantee may only recover indirect cost incurred at the start of the next grant budget period.
  - b. The grantee may not request additional funds to recover indirect costs. If the grantee believes that the indirect rate recovery is less than it should be, the grantee should submit an indirect cost proposal for the next full fiscal year to the ED Indirect Cost Group for negotiation of an indirect cost rate agreement.

Grantees should be aware that the Department is very often *not* the cognizant agency for its own grantees. Rather, the Department accepts, for the purpose of funding its awards, the current ICR established by the appropriate cognizant agency.

***For programs with restricted indirect cost rates (Partial Reimbursement):***

The Department has established a *restricted indirect cost rate* that must be used when the statute authorizing the program under which the grant was funded contains a supplement-not-supplant provision that requires a reduction in the indirect cost rate so that costs which are unallowable under these types of programs are not recovered through the indirect cost rate. The detailed requirements of restricted rates are in EDGAR at §§75.563 and 76.563-569.

Guidance on how to calculate the restricted rate is available at: <http://www.ed.gov/about/offices/list/ocfo/fipao/icgindex.html>. The restricted rate should be used in projecting indirect costs.

If the grant is made to a government under a program subject to a supplement-not-supplant requirement, the grantee must notify the cognizant agency that the grant is subject to a restricted indirect cost rate, as calculated under §§75.563 and §§76.564-76.569, and negotiate a restricted ICR with the Department (the grantee should ask its cognizant agency to contact the Department's Indirect Cost Group in order to coordinate a review of the restricted indirect cost proposal).

If a grantee other than a State or local government does not want to negotiate a restricted rate with its cognizant agency, the grantee has the option of charging indirect costs at 8% of the Modified Total Direct Costs (MTDC) of its grant for the life of the grant in

GAN ENCLOSURE 1  
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accordance with EDGAR at §76.564(c), unless the Department determines that the actual restricted ICR is lower than 8% of MTDC<sup>1</sup>. If a non-governmental grantee chooses to charge indirect costs at 8% of its MTDC, it must maintain records, available for audit, that demonstrate that the grantee incurs indirect costs of at least 8% of MTDC.

Grantees must bear in mind that items of cost excluded from restricted indirect cost rates may **not** be charged to grants as direct cost items. Nor may they be used to satisfy matching or cost-sharing requirements under a grant or charged to other Federal awards. ***For programs that are designated training grants (Limited reimbursement at 8%):***

EDGAR limits reimbursement of indirect costs under training grants to non-governmental grantees. These grantees may recover indirect costs under training grants up to the grantee's actual indirect costs as determined by the grantee's negotiated indirect cost agreement or 8% of modified total direct costs, whichever rate is lower.

**Note:** This limitation does not apply to State agencies, local governments or Federally-recognized Indian tribal governments. [EDGAR §75.562(c)(2)].

Grantees charging indirect costs to a Department training grant at the 8% rate must have a negotiated rate with their *cognizant agency*, i.e., either the Federal agency from which it has received the most direct funding subject to indirect cost support, the particular agency specifically assigned cognizance by the Office of Management and Budget, or the State agency that provides the most subgrant funds to the grantee. If an applicant selected for funding under this program has not already established a current indirect cost rate with its cognizant agency as a result of current or previous funding, the Department generally will authorize the grantee to use a temporary rate, of 10 percent of budgeted direct salaries and wages.

Use of the temporary rate of 10 percent of budgeted direct salaries and wages is subject to the following limitations:

1. The grantee may only recover indirect cost incurred at the start of the next grant budget period.
2. The grantee may not request additional funds to recover indirect costs. If the grantee believes that the indirect rate recovery is less than it should be, the grantee should submit an indirect cost proposal for the next full fiscal year to the ED Indirect Cost Group for negotiation of an indirect cost rate agreement.

Although grantees are not required to submit, at the time of application, a copy of their indirect cost agreement to claim the 8% training rate, they must have documentation

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<sup>1</sup> If the grantee gets funds under another grant that is not subject to the restricted indirect cost rate, it will not have the option of not negotiating an ICR.

**GAN ENCLOSURE 1**  
**PAGE 8 OF 8**

available for audit that shows that the indirect costs incurred under the grant are at least 8% of MTDC.

Grantees should be aware that indirect cost amounts exceeding the limitation, described in the first paragraph of this section, may **not** be charged to direct cost categories, used to satisfy matching or cost-sharing requirements, or charged to another Federal award.  
[§75.562(c)(5)]

**VII. Audit Requirements (2 CFR Part 200 Subpart F)**

2 CFR 200 Subpart F requires that grantees obtain a non-Federal audit of their expenditures under their Federal grants if the grantee expends more than \$750,000 in Federal funds in one fiscal year. 2 CFR Part 200 Subpart F contains the requirements imposed on grantees for audits done in connection with the law. The Department recommends hiring auditors who have specific experience in auditing Federal awards under the regulations and the Compliance Supplement.

**OTHER CONSIDERATIONS**

Some other topics of financial management covered in 2 CFR Part 200 that might affect particular grants include program income (2 CFR Part 200.307), cost sharing or matching (2 CFR Part 200.306), property management requirements for equipment and other capital expenditures (2 CFR Parts 200.313, 200.439).

**MEMORANDUM to ED DISCRETIONARY GRANTEES**

You are receiving this memorandum to remind you of Federal requirements, found in 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements*, regarding cash drawdowns under your grant account.

For any cash that you draw from your Department of Education (*the Department*) grant account, you must:

- x draw down only as much cash as is necessary to meet the immediate needs of the grant project;
- x keep to the minimum the time between drawing down the funds and paying them out for grant activities; and
- x return to the Government the interest earned on grant funds deposited in interest-bearing bank accounts except for a small amount of interest earned each year that your entity is allowed to keep to reimburse itself for administrative expenses).

In order to meet these requirements, you are urged to:

- x take into account the need to coordinate the timing of drawdowns with prior internal clearances (e.g., by boards, directors, or other officials) when projecting immediate cash needs so that funds drawn down from ED do not stay in a bank account for extended periods of time while waiting for approval;
- x monitor the fiscal activity (drawdowns and payments) under your grant on a continuous basis;
- x plan carefully for cash flow in your grant project during the budget period and review project cash requirements before each drawdown; and
- x pay out grant funds for project activities as soon as it is practical to do so after receiving cash from the Department.

Keep in mind that the Department monitors cash drawdown activity for all grants. Department staff will contact grantees who appear to have drawn down excessive amounts of cash under one or more grants during the fiscal quarter to discuss the particular situation. For the purposes of drawdown monitoring, the Department will contact grantees who have drawn down 50% or more of the grant in the first quarter, 80% or more in the second quarter, and/or 100% of the cash in the third quarter of the budget period. However, even amounts less than these thresholds could still represent excessive drawdowns for your particular grant activities in any particular quarter. Grantees determined to have drawn down excessive cash will be required to return the excess funds to the Department, along with any associated earned interest, until such time as the money is legitimately needed to pay for grant activities. If you need assistance with returning funds and interest, please contact ED's G5 Hotline by calling 1-888-336-8930.

Grantees that do not follow Federal cash management requirements and/or consistently appear on the Department's reports of excessive drawdowns could be:

- x subjected to specific award conditions or designated as a "high-risk" grantee [2 CFR Part 200.207 and 2 CFR 3474.10], which could mean being placed on a "cash-reimbursement" payment method (i.e., a grantee would experience the inconvenience of having to pay for grant activities with its own money and waiting to be reimbursed by the Department afterwards);
- x subject to further corrective action;
- x denied selection for funding on future ED grant applications [EDGAR 75.217(d)(3)(ii)]; and/or
- x debarred or suspended from receiving future Federal awards from any executive agency of the Federal government.

You are urged to read 2 CFR Part 200.305 to learn more about Federal requirements related to grant payments

**GAN ENCLOSURE 2**  
**PAGE 2 OF 2**

and to determine how to apply these requirements to any subgrantees. You are urged to make copies of this memorandum and share it with all affected individuals within your organization.



**MEMORANDUM TO REMIND DEPARTMENT OF EDUCATION (THE  
DEPARTMENT) GRANTEES OF EXISTING CASH MANAGEMENT  
REQUIREMENTS REGARDING PAYMENTS**

The Department expects that grantees will ensure that their subgrantees are also aware of these policies by providing relevant information to them.

There are three categories of payment requirements that apply to the draw of funds from grant accounts at the Department. The first two types of payments are subject to the requirements in the Treasury Department regulations implementing the Cash Management Improvement Act (CMIA) of 1990, 31 U.S.C.6513, and the third is subject to the requirements in the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) at 2 CFR part 200,<sup>1</sup> as follows:

- (1) Payments to a State under programs that are covered by a State's Treasury State Agreement (TSA);
- (2) Payments to States under programs that are not covered by a TSA; and
- (3) Payments to other non-Federal entities, including nonprofit organizations and local governments.

**CMIA Requirements Applicable to Programs included in a TSA**

Generally, under the Treasury Department regulations implementing the CMIA, only major assistance programs (large-dollar programs) are included in a State's written TSA. See 31 CFR part 205, subpart A. Programs included in a TSA must use approved funding techniques and both States and the Federal government are subject to interest liabilities for late payments. State interest liabilities accrue from the day federal funds are credited to a State account to the day the State pays out the federal funds for federal assistance program purposes. 31 CFR 205.15. If a State makes a payment under a Federal assistance program before funds for that payment have been transferred to the State, Federal Government interest liabilities accrue from the date of the State payment until the Federal funds for that payment have been deposited to the State account. 31 CFR 205.14.

**CMIA Requirements Applicable to Programs Not Included in a TSA**

Payments to States under programs not covered by a State's TSA are subject to subpart B of Treasury's regulations in 31 CFR part 205. These regulations provide that a State must minimize the time between the drawdown of funds from the federal government and their disbursement for approved program activities. The timing and amount of funds transfers must be kept to a minimum and be as close as is administratively feasible to a State's actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs. 31 CFR 205.33(a). States should exercise sound cash management in funds transfers to subgrantees.

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<sup>1</sup> The Department adopted the Uniform Guidance as regulations of the Department at 2 CFR part 3474.



Under subpart B, neither the States nor the Department owe interest to the other for late payments. 31 CFR 205.33(b). However, if a State or a Federal agency is consistently late in making payments, Treasury can require the program to be included in the State's TSA. 31 CFR 205.35.

#### **Fund transfer requirements for grantees other than State governments and subgrantees**

The transfer of Federal program funds to grantees other than States and to subgrantees are subject to the payment and interest accrual requirements in the Uniform Guidance at 2 CFR 200.305(b). These requirements are similar to those in subpart B of the Treasury Department regulations in 31 CFR part 205, requiring that "payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity." 2 CFR 200.305(b) introduction.

The Federal Government and pass-through entities must make payments in advance of expenditures by grantees and subgrantees if these non-Federal entities maintain, or demonstrates the willingness to maintain, written procedures "that minimize the time elapsing between the transfer of funds and disbursement by the non-Federal entity, and financial management systems that meet the standards for fund control and accountability as established in" 2 CFR 200.305(b). If a grantee or subgrantee cannot meet the criteria for advance payments, a Federal agency or pass-through entity can pay that entity through reimbursement. See 2 CFR 200.305(b)(1) and (4) for more detailed description of the payment requirements and the standards for requiring that payments be made by reimbursement.

Non-Federal entities other than States must maintain advance payments in interest bearing accounts unless certain conditions exist. See 2 CFR 200.305(b)(8) for those conditions. The requirements regarding interest accrual and remittance follow:

- x Grantees other than States and subgrantees must annually remit interest earned on federal advance payments except that the non-Federal entity may retain up to \$500 of interest earned on the account each year to pay for the costs of maintaining the account.
- x Grantees other than States and subgrantees must remit interest earned on Federal advance payments to the Department of Health and Human Services, Payment Management System (PMS), through either Automated Clearinghouse (ACH) network or Fedwire. Detailed information about electronic remittance of funds via ACH or Fedwire are specified in 2 CFR 200.305(b)(9)(i) and (ii). For non-Federal entities that do not have electronic remittance capability, checks must be made payable to HHS and addressed to:

U.S. Department of Health and Human Services  
Program Support Services  
P.O. Box 530231  
Atlanta, GA 30353-0231

The remittance should be accompanied by a letter stating that the remittance is for "interest earned on Federal funds", the name of the awarding agency, the grant number(s) for which the interest was earned and the Unique Entity Identifier (UEI)\* of the non-Federal entity making the payment.

Grantees, including grantees that act as pass-through entities and subgrantees have other responsibilities regarding the use of Federal funds. For example, all grantees and subgrantees must have procedures for determining the allowability of costs for their awards. We highlight the following practices related to the oversight of subgrantee compliance with the financial management requirements in the Uniform

Guidance that will assist State grantees (pass-through entities) in meeting their monitoring responsibilities. Under 2 CFR 200.331, pass-through entities must –

- x Establish monitoring priorities based on the risks posed by each subgrantee, including risks associated with the drawdown of grant funds and remittance of interest to the Federal Government;
- x Monitor the fiscal activity of subgrantees as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

A small number of ED grant programs have program-specific cash management and payment requirements based on the authorizing legislation or program regulations. These program-specific requirements may supplement or override general cash management or payment requirements. If you have any questions about your specific grant, please contact the program officer, whose contact information is on Block 3 of your Grant Award Notification (GAN).

\*Currently, ED uses the Data Universal Numbering System (DUNS) number, assigned by Dun and Bradstreet, INC. to uniquely identify business entities, as the UEI.

**RECIPIENTS OF ED GRANTS AND COOPERATIVE AGREEMENTS  
FREQUENTLY ASKED QUESTIONS ON  
CASH MANAGEMENT**

**Q What are the Federal Laws and Regulations Regarding Payments to the States?**

**A** The *Cash Management Improvement Act of 1990 (CMIA)* establishes interest liabilities for the Federal and State governments when the Federal Government makes payments to the States. See 31 U.S.C. 3335 and 6503. The implementing regulations are in Title 31 of the Code of Federal Regulations (CFR), Part 205, [https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title31/31cfr205\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title31/31cfr205_main_02.tpl).

**Q What is a Treasury-State Agreement (TSA)?**

**A** A TSA documents the accepted funding techniques and methods for calculating interest agreed upon by the U.S. Department of the Treasury (Treasury) and a State. It identifies the Federal assistance programs that are subject to interest liabilities under the CMIA. The CMIA regulations specify a number of different funding techniques that may be used by a State but a State can negotiate with the Treasury Department to establish a different funding technique for a particular program. A TSA is effective until terminated and, if a state does not have a TSA, payments to the State are subject to the default techniques in the regulations that Treasury determines are appropriate.

**Q What are the CMIA requirements for a program subject to a Treasury-State Agreement?**

**A** Payments to a State under a program of the Department are subject to the interest liability requirements of the CMIA if the program is included in the State's Treasury-State Agreement (TSA) with the Department of Treasury. If the Federal government is late in making a payment to a State, it owes interest to the State from the time the State spent its funds to pay for expenditure until the time the Federal government deposits funds to the State's account to pay for the expenditure. Conversely, if a State is late in making a payment under a program of the Department, the State owes interest to the Federal government from the time the Federal government deposited the funds to the State's account until the State uses those funds to make a payment. For more information, see the recently issued Memorandum from the Chief Financial Officer on Cash Management which is posted on the ed.gov "ED Memoranda to Grantees" page at: <http://www2.ed.gov/policy/fund/guid/gposbul/gposbul.html>

**Q What are the CMIA requirements for a program that is not subject to a Treasury-State Agreement?**

**A** If a program is not included in the State's TSA, neither the State nor the Federal government are liable for interest for making late payments. However, both the Federal government and the State must minimize the time elapsing between the date the State requests funds and the date that the funds are deposited to the State's accounts. The State is also required to minimize the time elapsed between the date it receives funds from the Federal government and the date it makes a payment under the program. Also, the Department must minimize the amount of funds transferred to a State to only that needed to meet the immediate cash needs of the State. The timing and amount of funds transferred must be as close as is administratively feasible to a State's actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs.

**Q What if there is no TSA?**

**A** When a State does not have a TSA in effect, default procedures in 31 CFR, part 205 that the Treasury Department determines appropriate apply. The default procedures will prescribe efficient funds transfer procedures consistent with State and Federal law and identify the covered Federal assistance programs and designated funding techniques.

**Q Who is responsible for Cash Management?**

**A** Grantees and subgrantees that receive grant funds under programs of the Department are responsible for maintaining internal controls regarding the management of Federal program funds under the Uniform Guidance in 2 CFR 200.302 and 200.303. In addition, grantees are responsible for ensuring that subgrantees are aware of the cash management and requirements in 2 CFR part 200, subpart D.

**Q Who is responsible for monitoring cash drawdowns to ensure compliance with cash management policies?**

**A** Recipients must monitor their own cash drawdowns **and** those of their subrecipients to assure substantial compliance to the standards of timing and amount of advances.

**Q How soon may I draw down funds from the G5 grants management system?**

**A** Grantees are required to minimize the amount of time between the drawdown and the expenditure of funds from their bank accounts. (See 2 CFR 200.305(b).) Funds must be drawn only to meet a grantee's immediate cash needs for each individual grant. The G5 screen displays the following message:

**By submitting this payment request, I certify to the best of my knowledge and belief that the request is based on true, complete, and accurate information. I further certify that the expenditures and disbursements made with these funds are for the purposes and objectives set forth in the applicable Federal award or program participation agreement, and that the organization on behalf of which this submission is being made is and will remain in compliance with the terms and conditions of that award or program participation agreement. I am aware that the provision of any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me, and the organization on behalf of which this submission is being made, to criminal, civil, or administrative penalties for fraud, false statements, false claims, or other violations. (U.S. Code Title 18, Section 1001; Title 20, Section 1097; and Title 31, Sections 3729-3730 and 3801-3812)**

**Q How may I use Federal funds?**

**A** Federal funds must be used as specified in the Grant Award Notification (GAN) and the approved application or State plan for allowable direct costs of the grant and an allocable portion of indirect costs, if authorized.

**Q What are the consequences to recipients/subrecipients for not complying with terms of the grant award?**

**A** If a recipient or subrecipient materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, including those in 2 CFR part 200, an assurance, the GAN, or elsewhere, the awarding agency may take one or more of the following actions:

1. Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
2. Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity not in compliance.
3. Wholly or partly suspend or terminate the Federal award.
4. Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal award agency regulations (or in the case of a pass-through be initiated by a Federal awarding agency).
5. Withhold further Federal awards for the project or program.
6. Take other remedies that may be legally available.

GAN ENCLOSURE 5

PAGE 1 OF 3

**Q Who is responsible for determining the amount of interest owed to the Federal government?**

**A** As set forth in 31 CFR 205.9, the method used to calculate and document interest liabilities is included in the State's TSA. A non-State entity must maintain advances of Federal funds in interest-bearing accounts unless certain limited circumstance apply and remit interest earned on those funds to the Department of Health and Human Services, Payment Management System annually. See 2 CFR 200.305. Also, see the July 12, 2016, memorandum from the Department's Chief Financial Officer on Department of Education Cash Management Policies for Grants and Cooperative Agreements posted at <http://www2.ed.gov/policy/fund/guid/gposbul/gposbul.html>.

**Q What information should accompany my interest payment?**

**A** Remittances must include pertinent information of the payee and nature of payment in the memo area (often referred to as "addenda records" by Financial Institutions) as that will assist in the timely posting of interest earned on federal funds. Pertinent details include the Payee Account Number (PAN) if the payment originated from PMS, or Agency information if the payment originated from ASAP, NSF or another federal agency payment system. CFR 200.305(b)(9).

**Q Are grant recipients/subrecipients automatically permitted to draw funds in advance of the time they need to disburse funds in order to liquidate obligations?**

**A** The payment requirements in 2 CFR 200.305(b) authorize a grantee or subgrantee to request funds in advance of expenditures if certain conditions are met. However, if those conditions are not met, the Department and a pass-through agency may place a payee on reimbursement.

**Q For formula grant programs such as ESEA Title I, for which States distribute funds to LEAs, may States choose to pay LEAs on a reimbursement basis?**

**A** A subgrantee must be paid in advance if it meets the standards for advance payments in 2 CFR 200.305(b)(1) but if the subgrantee cannot meet those standards, the State may put the subgrantee on reimbursement payment. See 2 CFR 200.305(b).

**Q Will the Department issue special procedures in advance if G5 plans to shut down for 3 days or more?**

**A** Yes, before any shutdown of G5 lasting three days or more, the Department issues special guidance for drawing down funds during the shut down. The guidance will include cash management improvement act procedures for States and certain State institutions of higher education and procedures for grants (including Pell grants) that are not subject to CMIA.

03/2020

## EXHIBIT B

S336S200007 - 23  
Briana Ronan  
Cal Poly Corporation  
1 Grand Avenue  
San Luis Obispo, CA 93407

S336S200007 - 23

Amy Velasco  
Cal Poly Corporation  
1 Grand Avenue  
San Luis Obispo, CA 93407





**US Department of Education  
Washington, D.C. 20202**

S336S200007 - 23

**GRANT AWARD NOTIFICATION**

<b>1</b>	<b>RECIPIENT NAME</b>  Cal Poly Corporation 1 Grand Avenue San Luis Obispo, CA 93407		<b>2</b>	<b>AWARD INFORMATION</b>  PR/AWARD NUMBER      S336S200007 - 23 ACTION NUMBER          6 ACTION TYPE              Continuation AWARD TYPE              Discretionary											
<b>3</b>	<b>PROJECT STAFF</b>  <b>RECIPIENT PROJECT DIRECTOR</b> Briana Ronan                      (805) 756-5056 <a href="mailto:bronan@calpoly.edu">bronan@calpoly.edu</a> <b>EDUCATION PROGRAM CONTACT</b> Louis Edwards                      (202) 453-6778 <a href="mailto:LOUIS.EDWARDS@ED.GOV">LOUIS.EDWARDS@ED.GOV</a> <b>EDUCATION PAYMENT HOTLINE</b> GS PAYEE HELPDESK              888-336-8930 <a href="mailto:ohssed@servicenowservices.com">ohssed@servicenowservices.com</a>		<b>4</b>	<b>PROJECT TITLE</b>  84.336S Cal Poly TIER: Teaching for Inclusivity and Equity Residency Program											
<b>5</b>	<b>KEY PERSONNEL</b>  <table border="0"> <thead> <tr> <th><u>NAME</u></th> <th><u>TITLE</u></th> <th><u>LEVEL OF EFFORT</u></th> </tr> </thead> <tbody> <tr> <td>Briana Ronan</td> <td>Project Director</td> <td>25%</td> </tr> <tr> <td>Amy Velasco</td> <td>Authorized Representative</td> <td>1%</td> </tr> </tbody> </table>					<u>NAME</u>	<u>TITLE</u>	<u>LEVEL OF EFFORT</u>	Briana Ronan	Project Director	25%	Amy Velasco	Authorized Representative	1%	
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<b>7</b>	<b>AUTHORIZED FUNDING</b>  <table border="0"> <tr> <td>THIS ACTION</td> <td>\$517,669.00</td> </tr> <tr> <td>BUDGET PERIOD</td> <td>\$517,669.00</td> </tr> <tr> <td>PERFORMANCE PERIOD</td> <td>\$1,567,342.00</td> </tr> </table>					THIS ACTION	\$517,669.00	BUDGET PERIOD	\$517,669.00	PERFORMANCE PERIOD	\$1,567,342.00				
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<b>8</b>	<b>ADMINISTRATIVE INFORMATION</b>  <table border="0"> <tr> <td>UEI</td> <td>MC4RJJM9XLT5</td> </tr> <tr> <td>REGULATIONS</td> <td>EDGAR AS APPLICABLE 2 CFR AS APPLICABLE</td> </tr> <tr> <td>ATTACHMENTS</td> <td>2, 3 , 6, 8, 9, 11 , 12, 13 , 14, GE1 , GE2, GE3 , GE4, GE5</td> </tr> </table>					UEI	MC4RJJM9XLT5	REGULATIONS	EDGAR AS APPLICABLE 2 CFR AS APPLICABLE	ATTACHMENTS	2, 3 , 6, 8, 9, 11 , 12, 13 , 14, GE1 , GE2, GE3 , GE4, GE5				
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<b>9</b>	<b>LEGISLATIVE AND FISCAL DATA</b>  <table border="0"> <tr> <td>AUTHORITY:</td> <td>PL P.L. 110-315 TITLE II HIGHER EDUCATION ACT, AS AMENDED</td> </tr> <tr> <td>PROGRAM TITLE:</td> <td>TEACHER QUALITY ENHANCEMENT GRANTS FOR STATE AND PARTNERSHIPS</td> </tr> <tr> <td>CFDA/SUBPROGRAM NO:</td> <td>84.336S</td> </tr> </table>					AUTHORITY:	PL P.L. 110-315 TITLE II HIGHER EDUCATION ACT, AS AMENDED	PROGRAM TITLE:	TEACHER QUALITY ENHANCEMENT GRANTS FOR STATE AND PARTNERSHIPS	CFDA/SUBPROGRAM NO:	84.336S				
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CFDA/SUBPROGRAM NO:	84.336S														



**US Department of Education  
Washington, D.C. 20202**

S336S200007 - 23

**GRANT AWARD NOTIFICATION**

FUND CODE	FUNDING YEAR	AWARD YEAR	ORG. CODE	CATEGORY	LIMITATION	ACTIVITY	CFDA	OBJECT CLASS	AMOUNT
0201A	2023	2023	ES000000	B	JDK	000	336	4101C	\$517,669.00

**1Q** PR/AWARD NUMBER: S336S200007 - 23

RECIPIENT NAME: Cal Poly Corporation

GRANTEE NAME: CAL POLY CORPORATION  
1 GRAND AVE BLDG 15,  
SAN LUIS OBISPO, CA 93407 - 9000

PROGRAM INDIRECT COST TYPE: Restricted

PROJECT INDIRECT COST RATE: 2%

**TERMS AND CONDITIONS**

(1) The Office of Management and Budget requires all Federal agencies to assign a Federal Award Identifying Number (FAIN) to each of their financial assistance awards. The PR/AWARD NUMBER identified in Block 2 is your FAIN. If subawards are permitted under this grant, and you choose to make subawards, you must document the assigned PR/AWARD NUMBER (FAIN) identified in Block 2 of this Grant Award Notification on each subaward made under this grant. The term subaward means:

1. A legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient. (See 2 CFR 200.33 l(a))
2. The term does not include your procurement of property and services needed to carry out the project or program (The payments received for goods or services provided as a contractor are not Federal awards, see 2 CFR 200.50 l(f) of the OMB Uniform Guidance: "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards").
3. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract. (See 2 CFR 200.1)

(2) THE FOLLOWING ITEMS ARE INCORPORATED IN THE GRANT AGREEMENT:

- 1) THE RECIPIENT'S APPLICATION (BLOCK 2);
- 2) THE APPLICABLE EDUCATION DEPARTMENT REGULATIONS: 2 CFR PART 180, NONPROCUREMENT DEBARMENT AND SUSPENSION AS ADOPTED AT 2 CFR PART 3485; 2 CFR PART 200 AS ADOPTED AT 2 CFR 3474 (BLOCK 8), AND 34 CFR PARTS 75, 77, 79, 81, 82, 84, 86, 97, 98, 99; AND THE PROGRAM REGULATIONS SPECIFIED IN BLOCK 8; AND
- 3) THE SPECIAL TERMS AND CONDITIONS SHOWN AS ATTACHMENTS IN BLOCK 8 ON THE INITIAL AWARD APPLY UNTIL CHANGED.

THIS AWARD SUPPORTS ONLY THE BUDGET PERIOD SHOWN IN BLOCK 6. IN ACCORDANCE WITH 34 CFR 75.253, THE SECRETARY CONSIDERS, AMONG OTHER THINGS, CONTINUED FUNDING IF:

- 1) CONGRESS HAS APPROPRIATED SUFFICIENT FUNDS UNDER THE PROGRAM;
- 2) THE DEPARTMENT DETERMINES THAT CONTINUING THE PROJECT WOULD BE IN THE BEST INTEREST OF THE GOVERNMENT;
- 3) THE GRANTEE HAS MADE SUBSTANTIAL PROGRESS TOWARD MEETING THE GOALS AND OBJECTIVES OF THE PROJECT;
- 4) THE SECRETARY ESTABLISHED PERFORMANCE MEASUREMENT REQUIREMENTS FOR THE GRANT IN THE APPLICATION NOTICE, THE PERFORMANCE TARGETS IN THE GRANTEE'S APPROVED APPLICATION;
- 5) THE RECIPIENT HAS SUBMITTED REPORTS OF PROJECT PERFORMANCE AND BUDGET EXPENDITURES THAT MEET THE REPORTING REQUIREMENTS FOUND AT 34 CFR 75.118, 2 CFR 200.328 AND 200.329, AND ANY OTHER REPORTING REQUIREMENTS ESTABLISHED BY THE SECRETARY;

AND



**US Department of Education  
Washington, D.C. 20202**

**GRANT AWARD NOTIFICATION**

6) THE GRANTEE HAS MAINTAINED FINANCIAL AND ADMINISTRATIVE MANAGEMENT SYSTEMS THAT MEET THE REQUIREMENTS IN 2 CFR 200.302, FINANCIAL MANAGEMENT, AND 2 CFR 200.303, INTERNAL CONTROLS.

IN ACCORDANCE WITH 2 CFR 200.308(c)(2) CHANGES TO KEY PERSONNEL IDENTIFIED IN BLOCK 5 MUST RECEIVE PRIOR APPROVAL FROM THE DEPARTMENT.

THE SECRETARY ANTICIPATES FUTURE FUNDING FOR THIS AWARD ACCORDING TO THE SCHEDULE IDENTIFIED IN BLOCK 6. THESE FIGURES ARE ESTIMATES ONLY AND DO NOT BIND THE SECRETARY TO FUNDING THE AWARD FOR THESE PERIODS OR FOR THE SPECIFIC AMOUNTS SHOWN. THE RECIPIENT WILL BE NOTIFIED OF SPECIFIC FUTURE FUNDING ACTIONS THAT THE SECRETARY TAKES FOR THIS AWARD.

- (3) Unless this grant solely funds research, you must comply with new regulations regarding awards to faith-based organizations (FBOs) that provide beneficiary services under this grant or under a contract you award to provide beneficiary services under this grant. These new regulations clarify the rights of FBOs and impose certain duties on FBOs regarding the referral of beneficiaries they serve. See 34 CFR 75.52, 75.712-75.714, appendix A to part 75, and 2 CFR 3474.15. The Department has established a web page that provides guidance on the new regulations, including FAQs and other implementation tools, which is available at <http://www2.ed.gov/policy/fund/reg/fbci-reg.html>. If you have any questions about these regulations, please contact the Education Program Contact identified in Block 3 of this GAN.
- (4) Reimbursement of indirect costs is subject to the availability of funds and statutory and regulatory restrictions. The negotiated indirect cost rate agreement authorizes a non-Federal entity to draw down indirect costs from the grant awards. The following conditions apply to the below entities.

A. All entities (other than institutions of higher education (IHE))

The GAN for this grant award shows the indirect cost rate that applies on the date of the initial grant for this project. However, after the initial grant date, when a new indirect cost rate agreement is negotiated, the newly approved indirect cost rate supersedes the indirect cost rate shown on the GAN for the initial grant. This new indirect cost rate should be applied according to the period specified in the indirect cost rate agreement, unless expressly limited under EDGAR or program regulations. Any grant award with an approved budget can amend the budget to account for a change in the indirect cost rate. However, for a discretionary grant award any material changes to the budget which may impact the scope or objectives of the grant must be discussed with the program officer at the Department. See 34 CFR 75.560 (d)(3) (ii) (part 75 of EDGAR).

B. Institutions of higher education (IHE)

Under 2 CFR part 200, Appendix III, Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs), the Department must apply the negotiated indirect cost rate in effect on the date of the initial grant award to every budget period of the project, including all continuation grants made for this project. See 2 CFR Part 200, Appendix III, paragraph C.7. Therefore, the GAN for each continuation grant will show the original indirect cost rate and it applies to the entire period of performance of this project. If the indirect cost rate agreement that is applicable to this grant does not extend to the end of the grants project period, the indirect cost rate set at the start of the project period must still be applied to the end of project period regardless of the fact that the rate has otherwise expired.



US Department of Education  
Washington, D.C. 20202

S336S200007 - 23

## GRANT AWARD NOTIFICATION

**Signature valid**

Digitally signed by TINA WOOD

Date: Tue Aug 08 10:22:52 EDT 2023



\_\_\_\_\_  
AUTHORIZING OFFICIAL

\_\_\_\_\_  
DATE

**EXPLANATION OF BLOCKS ON THE GRANT AWARD NOTIFICATION****For Discretionary, Formula and Block Grants** (See Block 2 of the Notification)

- 1. RECIPIENT NAME** - The legal name of the recipient or name of the primary organizational unit that was identified in the application, state plan or other documents required to be submitted for funding by the grant program.
- 2. AWARD INFORMATION** - Unique items of information that identify this notification.
  - PR/AWARD NUMBER**- A unique, identifying number assigned by the Department to each application. On funded applications, this is commonly known as the "grant number" or "document number." The PR/Award Number is also known as the Federal Award Identifying Number, or FAIN.
  - ACTION NUMBER** - A numeral that represents the cumulative number of steps taken by the Department to date to establish or modify the award through fiscal or administrative means. Action number "01" will always be "NEW AWARD"
  - ACTION TYPE** - The nature of this notification (e.g., NEW AWARD, CONTINUATION, REVISION, ADMINISTRATIVE)
  - AWARD TYPE** - The particular assistance category in which funding for this award is provided, i.e., DISCRETIONARY, FORMULA, or BLOCK. If this award was made under a Research and Development grant program, the terms RESEARCH AND DEVELOPMENT will appear under DISCRETIONARY, FORMULA OR BLOCK.
- 3. PROJECT STAFF** - This block contains the names and telephone numbers of the U.S. Department of Education and recipient staff who are responsible for project direction and oversight.
  - \*RECIPIENT PROJECT DIRECTOR** - The recipient staff person responsible for administering the project. This person represents the recipient to the U.S. Department of Education.
  - EDUCATION PROGRAM CONTACT** - The U.S. Department of Education staff person responsible for the programmatic, administrative and business management concerns of the Department.
  - EDUCATION PAYMENT CONTACT** - The U.S. Department of Education staff person responsible for payments or questions concerning electronic drawdown and financial expenditure reporting.
- 4. PROJECT TITLE AND CFDA NUMBER** - Identifies the Catalog of Federal Domestic Assistance (CFDA) subprogram title and the associated subprogram number.
- 5. \* KEY PERSONNEL** - Name, title and percentage (%) of effort the key personnel identified devotes to the project.
- 6. AWARD PERIODS** - Project activities and funding are approved with respect to three different time periods, described below:
  - BUDGET PERIOD** - A specific interval of time for which Federal funds are being provided from a particular fiscal year to fund a recipient's approved activities and budget. The start and end dates of the budget period are shown.
  - PERFORMANCE PERIOD** - The complete length of time the recipient is proposed to be funded to complete approved activities. A performance period may contain one or more budget periods.
  - \*FUTURE BUDGET PERIODS** - The estimated remaining budget periods for multi-year projects and estimated funds the Department proposes it will award the recipient provided substantial progress is made by the recipient in completing approved activities, the Department determines that continuing the project would be in the best interest of the Government, Congress appropriates sufficient funds under the program, and the recipient has submitted a performance report that provides the most current performance information and the status of budget expenditures.
- 7. AUTHORIZED FUNDING** - The dollar figures in this block refer to the Federal funds provided to a recipient during the award periods.
  - \*THIS ACTION** - The amount of funds obligated (added) or de-obligated (subtracted) by this notification.
  - \*BUDGET PERIOD** - The total amount of funds available for use by the grantee during the stated budget period to this date.
  - \*PERFORMANCE PERIOD** - The amount of funds obligated from the start date of the first budget period to this date.
  - RECIPIENT COST SHARE** - The funds, expressed as a percentage, that the recipient is required to contribute to the project, as defined by the program legislation or regulations and/or terms and conditions of the award.
  - RECIPIENT NON-FEDERAL AMOUNT** - The amount of non-federal funds the recipient must contribute to the project as identified in the recipient's application. When non-federal funds are identified by the recipient where a cost share is not a legislation requirement, the recipient will be required to provide the non-federal funds.
- 8. ADMINISTRATIVE INFORMATION** - This information is provided to assist the recipient in completing the approved activities and managing the project in accordance with U.S. Department of Education procedures and regulations.
  - UEI** - The UEI, issued in SAM.gov, is a unique 12 character organization identifier assigned to each recipient for payment purposes.

**\*REGULATIONS** - Title 2 of the Code of Federal Regulations(CFR), Part 200 as adopted at 2 CFR 3474; the applicable parts of the Education Department General Administrative Regulations (EDGAR), specific program regulations (if any), and other titles of the CFR that govern the award and administration of this grant.

**\*ATTACHMENTS** - Additional sections of the Grant Award Notification that discuss payment and reporting requirements, explain Department procedures, and add special terms and conditions in addition to those established, and shown as clauses, in Block 10 of the award. Any attachments provided with a notification continue in effect through the project period until modified or rescinded by the Authorizing Official.

**9. LEGISLATIVE AND FISCAL DATA** - The name of the authorizing legislation for this grant, the CFDA title of the program through which funding is provided, and U.S.Department of Education fiscal information.

**FUND CODE, FUNDING YEAR, AWARD YEAR, ORG.CODE, PROJECT CODE, OBJECT CLASS** -

The fiscal information recorded by the U.S. Department of Education's Grants Management System (G5) to track obligations by award.

**AMOUNT** - The amount of funds provided from a particular appropriation and project code. Some notifications authorize more than one amount from separate appropriations and/or project codes. The total of all amounts in this block equals the amount shown on the line, "THIS ACTION" (See "AUTHORIZED FUNDING" above (Block 7)).

**IO. TERMS AND CONDITIONS** - Requirements of the award that are binding on the recipient.

**\*PARTICIPANT NUMBER** - The number of eligible participants the grantee is required to serve during the budget year.

**\*GRANTEE NAME** - The entity name and address registered in the System for Award Management (SAM). This name and address is tied to the UEI registered in SAM under the name and address appearing in this field. This name, address and the associated UEI is what is displayed in the SAM Public Search.

**\*PROGRAM INDIRECT COST TYPE** - The type of indirect cost permitted under the program (i.e. Restricted, Unrestricted, or Training).

**\*PROJECT INDIRECT COST RATE** - The indirect cost rate applicable to this grant.

**\*AUTHORIZING OFFICIAL** - The U.S.Department of Education official authorized to award Federal funds to the recipient, establish or change the terms and conditions of the award, and authorize modifications to the award

**FOR FORMULA AND BLOCK GRANTS ONLY:**

(See also Blocks 1, 2, 4, 6, 8, 9 and IO above)

**3. PROJECT STAFF** - The U.S.Department of Education staff persons to be contacted for programmatic and payment questions.

**7. AUTHORIZED FUNDING**

**CURRENT AWARD AMOUNT-** The amount of funds that are obligated (added) or de-obligated (subtracted) by this action.

**PREVIOUS CUMULATIVE AMOUNT** - The total amount of funds awarded under the grant before this action.

**CUMULATIVE AMOUNT** - The total amount of funds awarded under the grant, this action included.

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\* This item differs or does not appear on formula and block grants.

UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF THE CHIEF FINANCIAL OFFICER  
& CHIEF INFORMATION OFFICER

Briana Ronan  
Cal Poly Corporation  
1 Grand Avenue

San Luis Obispo, CA 93407

SUBJECT: Payee Verification for Grant Award S336S200007 - 23

This is to inform you of the payee for the above listed grant award issued by the United States Department of Education

Grantee UEI: MC4RJJM9XLT5  
Grantee Name: CAL POLY CORPORATION

Payee UEI: MC4RJJM9XLT5  
Payee Name: CAL POLY CORPORATION

If any of the above information is not correct, please contact a Payee Customer Support Representative at 1-888-336-8930. Please send all the correspondence relating to the payee or bank information changes to the following address:

U.S. Department of Education  
550 12th Street, SW  
Room 6087  
Washington, DC 20202

Attn: Stephanie Barnes  
Phone:202-245-8006



## SPECIFIC GRANT TERMS AND CONDITIONS FOR FINANCIAL AND PERFORMANCE REPORTS

### **PERFORMANCE REPORTS:**

**(1) FINAL REPORTS - ALL RECIPIENTS** are required to submit a final performance report within 120 days after the expiration or termination of grant support in accordance with submission instructions provided in box 10 of the Grant Award Notification (GAN), or through another notification provided by the Department of Education (Department) ([2 CFR § 200.329\(c\)](#)).

**(2) ANNUAL, QUARTERLY, or SEMIANNUAL REPORTS - ALL RECIPIENTS** of a multi-year discretionary award must submit an annual Grant Performance Report ([34 CFR § 75.118](#)). The annual performance report shall provide the most current performance and financial expenditure information that is sufficient to meet the reporting requirements of 2 CFR §§ [200.328](#), [200.329](#), and [34 CFR § 75.720](#).

Your education program contact will provide you with information about your performance report submissions, including the due date, as a grant term or condition in box 10 on the GAN, or through another notification provided by the Department. The grant term or condition in box 10 on the GAN or another notification may reflect any of the following:

1. That a performance report is due before the next budget period begins. The report should contain current performance and financial expenditure information for this grant. It will either identify the date the performance report is due or state that the Department will provide additional information about this report, including due date, at a later time.
2. That an interim performance report is required because of the nature of the award or because of statutory or regulatory provisions governing the program under which this award is made, and that the report is due more frequently than annually as indicated, e.g., due quarterly and submitted within 30 days after the end of each quarter, or due semiannually and submitted within 30 days after the end of each 6-month period ([2 CFR § 200.329\(c\)\(1\)](#)).
3. That other reports are required, e.g., program specific reports required in a program's statute or regulation.

### **(3) FINANCIAL REPORTS – SOME RECIPIENTS:**

If a financial report is required, your education program contact will provide you with information about your financial report submission, including the due date, as a grant term or condition in box 10 on the GAN, or through another notification.

A [Standard Form \(SF\) 425 Federal Financial Report \(FFR\)](#) is required if:

1. A grant involves cost sharing, and the ED 524B, which collects cost sharing information, is not submitted or a program-specific report approved by U.S. Office of Management and Budget (OMB) does not collect cost sharing information;
2. Program income was earned;



## GAN ATTACHMENT 2

Revised 03/2021

3. Indirect cost information is to be reported and the ED 524B was not used or a program-specific report approved by OMB does not collect indirect cost information;
4. Program regulations or statute require the submission of the FFR; or
5. Specific Award Conditions, or specific grant or subgrant conditions for designation of "high risk," were imposed in accordance with 2 C.F.R. part [200.208](#) and part [3474.10](#) and required the submission of the FFR.

If the FFR is required, the notification may indicate one of the following (see the form and its instructions at [Standard Form \(SF\) 425 Federal Financial Report \(FFR\)](#)):

1. Quarterly - FFRs are required for reporting periods ending on 12/31, 03/31, 06/30, 09/30, and are due within 30 days after each reporting period.
2. Semi-annual - FFRs are required for reporting periods ending on 03/31 and 09/30, and are due within 30 days after each reporting period.
3. Annual - FFRs are required for reporting period ending 09/30, and is due within 30 days after the reporting period.
4. Final - In coordination with the submission of final performance reports, FFRs are due within 120 days after the project or grant period end date (2 CFR [200.328](#)).

When completing an FFR for submission, the following must be noted:

1. *Multiple Grant Reporting Using SF 425A Prohibited:* While the FFR is a governmentwide form that is designed for single grant and multiple grant award reporting, the Department's policy is that multiple grant award reporting is not permitted for Department grants. Thus, a Department grantee that is required to submit an FFR in accordance with any of the above referenced selections must complete and submit one FFR for each of its grants. Do not use the FFR attachment (Standard Form 425A), which is available for reporting multiple grants, for reporting on Department grants. As such, references to multiple grant reporting and to the FFR attachment in items 2, 5 and 10 of the FFR are not applicable to Department grantees. With regards to item 1 of the note found in the FFR Instructions, a grantee must complete items 10(a) through 10(o) for each of its grants. The multiple award, multiple grant, and FFR attachment references found in items 2, 5, 6, before 10(a), in item 10(b), before 10(d), before 10(i) and before 10(l) of the Line Item Instructions for the FFR are not applicable to Department grants.
2. *Program Income:* Unless disallowed by statute or regulation, a grantee will complete item 10(m) or 10(n) in accordance with the options or combination of options as provided in 2 CFR Part [200.307](#). A grantee is permitted, in accordance with 2 CFR Part [200.307](#), to add program income to its Federal share to further eligible project or program objectives, use program income to finance the non-Federal share of the project or program; and deduct program income from the Federal share of the total project costs.
3. *Indirect Costs:* A grantee will complete item 11(a) by listing the indirect cost rate type identified on its indirect cost rate agreement, as approved by its cognizant agency for indirect costs.

A Department grantee that does not have an indirect cost rate agreement approved by its cognizant agency for indirect costs, and that is using the Department approved (beyond the 90-day temporary period) temporary indirect cost rate of 10% of budgeted direct salaries and wages, or the de minimis rate of 10% of modified total direct cost (MTDC) must list its indirect cost rate in 11(a) as a Department Temporary Rate or De Minimis Rate. The de minimis rate of 10% of MTDC consists of:

All direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and contracts up to the first \$25,000 of each subaward (i.e., subgrant). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items, including contract costs in excess of \$25,000, may be excluded when necessary to avoid a serious inequity in the distribution of indirect costs (see definition of MTDC at [2 CFR § 200.1](#)).

A training program grantee whose recovery of indirect cost limits indirect cost recovery to 8% of MTDC or the grantees negotiated indirect cost rate, whichever is less in accordance with EDGAR § [75.562 \(c\)](#), must list its rate in 11(a) as a Department Training Grant Rate. The 8% limit does not apply to agencies of Indian tribal governments, local governments, and States<sup>1</sup> as defined in [2 CFR § 200.1](#)

A restricted program grantee must list its rate as a Restricted Indirect Cost Rate in 11(a). A restricted program (i.e., programs with statutory supplement-not-supplant requirements) grantee must utilize a restricted indirect cost rate negotiated with its cognizant agency for indirect costs, or may elect to utilize a restricted indirect cost rate of 8% MTDC if their negotiated restricted indirect cost rate calculated under 34 CFR [75.563](#) and [76.564 – 76.569](#), is not less than 8% MTDC. A State or local government<sup>2</sup> that is a restricted program grantee may not elect to utilize the 8% MTDC rate. Additionally, restricted program grantees may not utilize the de minimis rate, but may utilize the temporary rate until a restricted indirect cost rate is negotiated. If a restricted program grantee elects to utilize the temporary rate, it must list its rate as a Department Temporary Rate in 11(a).

Grantees with indirect cost rates prescribed in program statute or regulation must list their rate as a Rate Required in Program Statute or Regulation in 11(a). Grantees are required to follow program-specific statutory or regulatory requirements that mandate either indirect cost rate type or maximum administrative costs recovery.

For detailed information including restrictions related to temporary, de minimis, training, restricted, and program prescribed indirect cost rates see GAN ATTACHMENT 4.

4. *Supplemental Pages:* If grantees need additional space to report financial information, beyond what is available within the FFR, they should provide supplemental pages. These additional pages must indicate the following information at the top of each page: the PR/Award Number

<sup>1</sup> Note that a State-funded institution of higher education is not considered a “State government” for these purposes; and a Tribal college or university funded by a federally-recognized Tribe is not considered a Tribe for these purposes.

<sup>2</sup> Note that a State-funded institution of higher education is not considered a “State government” for these purposes.

**GAN ATTACHMENT 2**

Revised 03/2021

also known as the Federal Identifying Number or FAIN, recipient organization, Unique Entity Identifier, Employer Identification Number (EIN), and period covered by the report.

## **AN OVERVIEW OF SINGLE AUDIT REQUIREMENTS OF STATES, LOCAL GOVERNMENTS, AND NONPROFIT ORGANIZATIONS**

This GAN ATTACHMENT is **not** applicable to for-profit organizations. For-profit organizations comply with audit requirements specified in block 10 of their Grant Award Notification (GAN).

### **Summary of Single Audit Requirements for States, Local Governments and Nonprofit Organizations:**

1. Single Audit. A non-Federal entity (a State, local government, Indian tribe, Institution of Higher Education (IHE)<sup>1</sup>, or nonprofit organization) that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with 2 CFR 200.501, "Audit Requirements," except when it elects to have a program specific audit conducted.
2. Program-specific audit election. When an auditee expends Federal awards under only one Federal program (excluding research and development (R&D)), and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted. A program-specific audit may not be elected for R&D unless all of the Federal awards expended were received from the same Federal agency, or the same Federal agency and the same pass-through entity, and that Federal agency, or pass-through entity in the case of a subrecipient, approves in advance a program-specific audit.
3. Exemption when Federal awards expended are less than \$750,000. A non-Federal entity that expends less than \$750,000 during the non-Federal entity's fiscal year in Federal awards is exempt from Federal audit requirements for that year, except as noted in 2 CFR 200.503, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO). Generally, grant records must be maintained for a period of three years after the date of the final expenditure report ([2 CFR § 200.334](#))
4. Federally Funded Research and Development Centers (FFRDC). Management of an auditee that owns or operates a FFRDC may elect to treat the FFRDC as a separate entity.
5. Report Submission. To meet audit requirements of U.S. Office of Management and Budget (OMB) Uniform Guidance: Cost Principles, Audit, and Administrative Requirements for Federal Awards (Uniform Guidance), grantees must submit all audit documents required by Uniform Guidance 2 CFR 200.512, including Form SF-SAC: Data Collection Form electronically to the Federal Audit Clearinghouse at:

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<sup>1</sup> As defined under the Higher Education Act of 1965, as amended (HEA) section 101.

<https://facides.census.gov/Account/Login.aspx>.

The audit must be completed, and the data collection form and reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period. If the due date falls on a Saturday, Sunday, or Federal holiday, the reporting package is due the next business day. Unless restricted by Federal statutes or regulations, the auditee must make copies available for public inspection. Auditees and auditors must ensure that their respective parts of the reporting package do not include protected personally identifiable information. (2 CFR 200.512)

Grantees are strongly urged to obtain the "OMB Compliance Supplement" and to contact their cognizant agency for single audit technical assistance.

The designated cognizant agency for single audit purposes is "the Federal awarding agency that provides the predominant amount of direct funding to the recipient." Grantees should obtain a copy of the OMB Compliance supplement. This supplement will be instructive to both grantees and their auditors. Appendix III of the supplement provides a list of Federal Agency Contacts for Single Audits, including addresses, phone numbers, fax numbers, and e-mail addresses for technical assistance.

For single audit-related questions, if the U.S. Department of Education is the cognizant agency, grantees should contact the Non-Federal Audit Team in the Department's Office of Inspector General, at [oignon-federalaudit@ed.gov](mailto:oignon-federalaudit@ed.gov). Additional resources for single audits are also available on the Non-Federal Audit Team's website at <https://www2.ed.gov/about/offices/list/oig/nonfed/index.html>. For programmatic questions, grantees should contact the education program contact shown on the Department's GAN.

Grantees can obtain information on single audits from:

The OMB website at [www.omb.gov](http://www.omb.gov). Look under Office of Management and Budget (in right column) then click Office of Federal Financial Management (to obtain OMB Compliance Supplement). The SF-SAC: Data Collection Form can be found at the Federal Audit Clearinghouse at: <https://facides.census.gov/Files/2019-2021%20Checklist%20Instructions%20and%20Form.pdf>.

The American Institute of Certified Public Accountants (AICPA) has illustrative OMB Single Audit report examples that might be of interest to accountants, auditors, or financial staff at [www.aicpa.org](http://www.aicpa.org).

### REQUEST FOR APPROVAL OF PROGRAM INCOME

In projects that generate program income, the recipient calculates the amount of program income according to the guidance given in 2 CFR Part 200.307.

**\*\*\* IF YOU RECEIVED YOUR GRANT AWARD NOTIFICATION ELECTRONICALLY AND YOU ARE SUBJECT TO ANY OF THE RESTRICTIONS IDENTIFIED BELOW, THE RESTRICTION(S) WILL APPEAR IN BOX 10 ON YOUR GRANT AWARD NOTIFICATION AS A GRANT TERM OR CONDITION OF THE AWARD. \*\*\***

Unless checked below as NOT ALLOWED, the recipient may exercise any of the options or combination of options, as provided in 2 CFR Part 200.307, for using program income generated in the course of the recipient's authorized project activities:

\_\_\_\_\_ Not Allowed Adding program income to funds committed to the project by the Secretary and recipient and using it to further eligible project or program objectives;

\_\_\_\_\_ Not Allowed Using program income to finance the non-Federal share of the project or program; and

\_\_\_\_\_ Not Allowed Deducting program income from the total allowable cost to determine the net allowable costs.

### **TRAFFICKING IN PERSONS**

The Department of Education adopts the requirements in the Code of Federal Regulations at 2 CFR [175](#) and incorporates those requirements into this grant through this condition. The grant condition specified in 2 CFR [175.15\(b\)](#) is incorporated into this grant with the following changes. Paragraphs a.2.ii.B and b.2. ii. are revised to read as follows:

“a.2.ii.B. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 34 CFR part 85.”

“b.2. ii. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 34 CFR part 85.”

Under this condition, the Secretary may terminate this grant without penalty for any violation of these provisions by the grantee, its employees, or its subrecipients.

**FEDERAL FUNDING ACCOUNTABILITY TRANSPARENCY ACT  
REPORTING SUBAWARDS AND EXECUTIVE COMPENSATION**

The Federal Funding Accountability and Transparency Act (FFATA) is designed to increase transparency and improve the public's access to Federal government information. To this end, FFATA requires that Department of Education (Department) grant recipients:

1. Report **first-tier subawards** made under Federal grants that are funded at \$30,000 or more that meet the reporting conditions as set forth in this grant award term;
2. Report their executives' compensation for all new Federal grants that are funded at \$30,000 and that meet the reporting conditions as set forth in this grant award term; and
3. Report executive compensation data for their **first-tier subrecipients** that meet the reporting conditions as set forth in this grant award term.

For FFATA reporting purposes, the Department grant recipient is the entity listed in box 1 of the Grant Award Notification.

Only **first-tier subawards** made by the Department grant recipient to its **first-tier subrecipients** and the **first-tier subrecipients'** executive compensation are required to be reported in accordance with FFATA.

*Subaward, Subrecipient, Recipient, Total Compensation, Executives*, and other key terms, are defined within item 5, Definitions, of this grant award term.

This grant award term is issued in accordance with [2 CFR Part 170—Reporting Subaward And Executive Compensation Information](#).

**1. Reporting of First-tier Subawards -**

*a. Applicability and what to report.*

Unless you are exempt as provided item 4, Exemptions, of this grant award term, you must report each obligation that **equals or exceeds \$30,000** in Federal funds for a first-tier subaward to a non-Federal entity or Federal agency.

You must report the information about each obligating action that are specified in the submission instructions posted at [FSRS](#).

*b. Where and when to report.*

The Department grant recipient must report each obligating action described in paragraph **1.a.** of this award term to [FSRS](#).

Report subaward information no later than the end of the month following the month in which the subaward obligation was made. For example, if the obligation was made on November 7, 2020, the obligation must be reported by no later than December 31, 2020.

**2. Reporting Total Compensation of the Department's Grant Recipients' Executives -**



a. *Applicability and what to report.*

You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if—

- i The total Federal funding authorized to date under this Federal award **equals or exceeds \$30,000;**
- ii In the preceding fiscal year, you received—
  - A. 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at [2 CFR 170.320](#) (and subawards), **and**
  - B. \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at [2 CFR 170.320](#) (and subawards); **and**,
  - C. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at [SEC Investor.gov Executive Compensation](#).)

b. *Where and when to report.*

You must report executive total compensation described in paragraph **2.a.** of this grant award term:

- i As part of your registration profile at [SAM.gov](#).
- ii By the end of the month following the month in which this award is made (for example, if the obligation was made on November 7, 2020 the executive compensation must be reported by no later than December 31, 2020), and annually thereafter.

**3. Reporting of Total Compensation of Subrecipient Executives –**

a. *Applicability and what to report.*

Unless you are exempt as provided in item 4, Exemptions, of this award term, for each first-tier **non-Federal entity** subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if—

- i In the subrecipient's preceding fiscal year, the subrecipient received—

- A. 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at [2 CFR 170.320](#) (and subawards), **and**
  - B. \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at [2 CFR 170.320](#) (and subawards); **and**,
  - C. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at [SEC Investor.gov Executive Compensation](#).)
- b. *Where and when to report.*

You must report subrecipient executive total compensation described in paragraph **3.a.** of this grant award term:

- i. In [FSRS](#). You must include a condition on subawards that requires the subrecipients to timely report the information required under paragraph **3.a.** to you the prime awardee, or in the [SAM.gov](#). Subrecipient executive compensation entered in [SAM.gov](#) by the subrecipient will pre-populate in [FSRS](#), so you do not have to report when subrecipients enter this information in [SAM.gov](#). Subrecipient executive compensation not entered in [SAM.gov](#) by the subrecipient is reported in [FSRS](#) by you the Department grant recipient.
- ii. By the end of the month following the month during which you make the subaward. For example, if the subaward obligation was made on November 7, 2020 the subrecipient's executive compensation must be reported by no later than December 31, 2020.

#### **4. Exemptions –**

- a. If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:
  - i. Subawards, and
  - ii. The total compensation of the five most highly compensated executives of any **subrecipient**.

#### **5. Definitions -**

- a. For purposes of this award term:
  - i. Federal *Agency* means a Federal agency as defined at [5 U.S.C. 551\(1\)](#) and further clarified by [5 U.S.C. 552\(f\)](#).
  - ii. Non-Federal *Entity* means all of the following, as defined in [2 CFR part 25](#):

A Governmental organization, which is a State, local government, or Indian tribe;

- A foreign public entity;
  - A domestic or foreign nonprofit organization; and,
  - A domestic or foreign for-profit organization
- iii. *Executive* means officers, managing partners, or any other employees in management positions.
  - iv. *Obligation*, when used in connection with a non-Federal entity's utilization of funds under a Federal award, means orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period.
  - v. *Subaward*:

This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.

The term does not include your procurement of property and services (such as payments to a contractor, small purchase agreements, vendor agreements, and consultant agreements) that are needed for the benefit of the prime awardee to carry out the project or program (for further explanation, see [2 CFR 200.331](#)). For example, the following are not considered subawards:

*Cleaning Vendors*: Vendors that are hired by a grantee to clean its facility.

*Payroll Services Vendors*: Vendors that carryout payroll functions for the grantee.

*Information Technology Vendors*: Vendors that provide IT support to grant staff.

Payments to individuals that are beneficiaries of Federal programs are not considered subawards.

A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.

- v. *Subrecipient* means a non-Federal entity or Federal agency that:

Receives a subaward from you (the recipient) under this award; and

Is accountable to you for the use of the Federal funds provided by the subaward.

In accordance with its subaward, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the Department prime awardee.

- vii. *Recipient* means a non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. The term recipient does not include subrecipients. See also §200.69 Non-Federal entity.
- viii. *Total compensation* means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see [17 CFR 229.402\(c\)\(2\)](#)):

Salary and bonus.

Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.

Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization, or medical reimbursement plans that do not discriminate in favor of executives and are available generally to all salaried employees.

Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.

Above-market earnings on deferred compensation which is not tax-qualified.

Other compensation, if the aggregate value of all such other compensation (e.g., severance, termination payments, value of life insurance paid on behalf of the employee, perquisites, or property) for the executive exceeds \$10,000.

**SPECIFIC CONDITIONS FOR DISCLOSING  
FEDERAL FUNDING IN PUBLIC ANNOUNCEMENTS**

When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, U.S. Department of Education grantees shall clearly state:

- 1) the percentage of the total costs of the program or project which will be financed with Federal money;
- 2) the dollar amount of Federal funds for the project or program; and
- 3) the percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

Recipients must comply with these conditions under Division H, Title V, Section 505 of Public Law 116-260, Consolidated Appropriations Act, 2021.

**PROHIBITION OF TEXT MESSAGING AND EMAILING WHILE DRIVING  
DURING OFFICIAL FEDERAL GRANT BUSINESS**

Federal grant recipients, sub recipients and their grant personnel are prohibited from text messaging while driving a government owned vehicle, or while driving their own privately-owned vehicle during official grant business, or from using government supplied electronic equipment to text message or email when driving.

Recipients must comply with these conditions under Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving," October 1, 2009.

**REGISTRATION OF UNIQUE ENTITY IDENTIFIER (UEI) NUMBER AND TAXPAYER  
IDENTIFICATION NUMBER (TIN) IN THE SYSTEM FOR AWARD MANAGEMENT (SAM)**

The U.S. Department of Education (Department) Grants Management System (G5) disburses payments via the U.S. Department of Treasury (Treasury). The U.S. Treasury requires that we include your Tax Payer Identification Number (TIN) with each payment. Therefore, in order to do business with the Department you must have a registered Unique Entity Identifier (UEI) and TIN number with the SAM, the U.S. Federal Government's primary registrant database. If the payee UEI number is different than your grantee UEI number, both numbers must be registered in the SAM. Failure to do so will delay the receipt of payments from the Department.

A TIN is an identification number used by the Internal Revenue Service (IRS) in the administration of tax laws. It is issued either by the Social Security Administration (SSA) or by the IRS. A Social Security number (SSN) is issued by the SSA whereas all other TINs are issued by the IRS.

The following are all considered [TINs according to the IRS](#).

- Social Security Number "SSN"
- Employer Identification Number "EIN"
- Individual Taxpayer Identification Number "ITIN"
- Taxpayer Identification Number for Pending U.S. Adoptions "ATIN"
- Preparer Taxpayer Identification Number "PTIN"

If your UEI number is not currently registered with the SAM, you can easily register by going to [www.sam.gov](http://www.sam.gov). Please allow 3-5 business days to complete the registration process. If you need a new TIN, please allow 2-5 weeks for your TIN to become active. If you need assistance during the registration process, you may contact the SAM Federal Service Desk at 866-606-8220.

If you are currently registered with SAM, you may not have to make any changes. However, please take the time to validate that the TIN associated with your UEI is correct.

If you have any questions or concerns, please contact the G5 Hotline at 888-336-8930.

**SYSTEM FOR AWARD MANAGEMENT AND UNIVERSAL IDENTIFIER REQUIREMENTS****1. Requirement for System for Award Management (SAM)**

Unless you are exempted from this requirement under 2 CFR 25.110, you are, in accordance with your grant program's Notice Inviting Applications, required to maintain an active SAM registration with current information about your organization, including information on your immediate and highest level owner and subsidiaries, as well as on all predecessors that have been awarded a Federal contract or grant within the last three years, if applicable, at all times during which you have an active Federal award or an application or plan under consideration by a Federal awarding agency. To remain registered in the SAM database after your initial registration, you are required to review and update your information in the SAM database on an annual basis from the date of initial registration or subsequent updates to ensure it is current, accurate and complete.

**2. Requirement for Unique Entity Identifier (UEI) Numbers**

If you are authorized to make subawards under this award, you:

1. Must notify potential subrecipients that they may not receive a subaward from you unless they provided their UEI number to you.
2. May not make a subaward to a subrecipient when the subrecipient fails to provide its UEI number to you.

**3. Definitions**

For purposes of this award term:

1. System for Award Management (SAM) means the Federal repository into which a recipient must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM internet site (currently at <https://www.sam.gov>).
2. Unique Entity Identifier (UEI) means the identifier assigned by SAM registration to uniquely identify business entities.
3. Recipient means a non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. The term recipient does not include subrecipients. See 2 CFR 200.86.
4. Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. See 2 CFR 200.92.



5. Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency. See 2 CFR 200.93.

**KEY FINANCIAL MANAGEMENT REQUIREMENTS FOR DISCRETIONARY GRANTS  
AWARDED BY THE DEPARTMENT OF EDUCATION**

The Department expects grantees to administer Department grants in accordance with generally accepted business practices, exercising prudent judgment so as to maintain proper stewardship of taxpayer dollars. This includes using fiscal control and fund accounting procedures that insure proper disbursement of and accounting for Federal funds. In addition, grantees may use grant funds only for obligations incurred during the funding period.

Title 2 of the Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," establishes requirements for Federal awards made to non-Federal entities. The Education Department General Administrative Regulations in 34 CFR (EDGAR) 75, 76, 77, 79, 81, 82, 84, 86, 97, 98, and 99 contain additional requirements for administering discretionary grants made by this Department. The most recent version of these regulations may be accessed at the following URLs:

[The Education Department General Administrative Regulations \(EDGAR\)](#)

[2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

The information on page 2, "Selected Topics in Administering Department Discretionary Grants," highlights major administrative requirements of 2 CFR Part 200. In addition, a few of the topics discuss requirements that the Department imposes on its discretionary grantees under EDGAR, Part 75 (Direct Grants). The specific sections of 2 CFR Part 200 and of EDGAR that address the topics discussed are shown in parentheses. The Department urges grantees to read the full text of these and other topics in EDGAR and in 2 CFR Part 200.

Grantees are reminded that a particular grant might be subject to additional requirements of the authorizing statute for the program that awarded the grant and/or any regulations issued by the program office. Grantees should become familiar with those requirements as well, because program-specific requirements might differ from those in 2 CFR Part 200 and in EDGAR.

The Department recommends that the project director and the fiscal management staff of a grantee organization communicate frequently with each other about the grant budget. Doing so will help to assure that you use Federal funds only for those expenditures associated with activities that conform to the goals and objectives approved for the project.

Grantees may direct any questions regarding the topics discussed on page 2, "Selected Topics in Administering Department Discretionary Grants," or about any other aspect of administering your grant award to the Department program staff person named in Block 3 of the Grant Award Notification.

**SELECTED TOPICS IN ADMINISTERING DEPARTMENT DISCRETIONARY GRANTS****I. Financial Management Systems (2 CFR Part 200.302)**

In general, grantees are required to have financial management systems that:

- \* provide for accurate, current, and complete disclosure of results regarding the use of funds under grant projects;
- \* provide adequate source documentation for Federal and non-Federal funds used under grant projects;
- \* contain procedures to determine the allowability, allocability, and reasonableness of obligations and expenditures made by the grantee; and
- \* enable the grantee to maintain effective internal control and fund accountability procedures, e.g., requiring separation of functions so that the person who makes obligations for the grantee is not the same person who signs the checks to disburse the funds for those obligations.

State systems must account for funds in accordance with State laws and procedures that apply to the expenditure of and the accounting for a State's own funds. A State's procedures, as well as those of its subrecipients and cost-type contractors, must be sufficient to permit the preparation of reports that may be required under the award as well as provide the tracing of expenditures to a level adequate to establish that award funds have not been used in violation of any applicable statutory restrictions or prohibitions.

**II. Federal Payment (2 CFR Part 200.305)**

Under this part --

- \* the Department pays grantees in advance of their expenditures if the grantee demonstrates a willingness and ability to minimize the time between the transfer of funds to the grantee and the disbursement of the funds by the grantee;
- \* grantees repay to the Federal government interest earned on advances; and
- \* grantees, generally, must maintain advance payments of Federal awards in interest bearing accounts.

In general, grantees should make payment requests frequently, only for small amounts sufficient to meet the cash needs of the immediate future.

The Department has recently encountered situations where grantees failed to request funds until long after the grantee actually expended its own funds for the costs of its grant. Grantees need to be aware that, by law, Federal funds are available for grantees to draw down for only a limited period of time, after which the funds revert to the U.S. Treasury. In some cases grantees have requested funds too late for the Department to be able to pay the grantees for legitimate costs incurred during their project periods.

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The Department urges financial managers to regularly monitor requests for payment under their grants to assure that Federal funds are drawn from the Department G5 Payment System at the time those funds are needed for payments to vendors and employees.

**III. Personnel (EDGAR §§ 75.511-75.519 and 2 CFR Part 200 Subpart D and E)**

The rules governing personnel costs are located in EDGAR Part 75 and 2 CFR Part 200 Subparts D and E. Part 75 covers issues such as paying consultants with grant funds, prohibiting dual compensation of staff, and waiving the requirement for a full-time project director. The rules clarifying changes in key project staff are located in 2 CFR Part 200.308 (c)(2). General rules governing reimbursement of salaries and compensation for staff working on grant projects are addressed in the cost principles in 2 CFR Part 200 Subpart D and E. In all cases, payments of any type to personnel must be supported by complete and accurate records of employee time and effort. For those employees that work on multiple functions or separately funded programs or projects, the grantee must also maintain time distribution records to support the allocation of employee salaries among each function and separately funded program or project.

**IV. Cost Principles (2 CFR Part 200 Subpart E)**

All costs incurred under any grant are subject to the cost principles found in 2 CFR Part 200 Subpart E. The cost principles provide lists of selected items of allowable and unallowable costs, and must be used in determining the allowable costs of work performed under the grant.

**V. Procurement Standards (2 CFR Part 200.317-327)**

Under 2 CFR Part 200.317, States are required to follow the procurement rules the States have established for purchases funded by non-Federal sources. When procuring goods and services for a grant's purposes, all other grantees may follow their own procurement procedures, but only to the extent that those procedures meet the minimum requirements for procurement specified in the regulations. These requirements include written competition procedures and codes of conduct for grantee staff, as well as requirements for cost and price analysis, record-keeping and contractor compliance with certain Federal laws and regulations. These regulations also require grantees to include certain conditions in contracts and subcontracts, as mandated by the regulations and statutes.

**VI. Indirect Costs (EDGAR §§75.560-564 and 2 CFR Part 200.414)**

In addition to the information presented below, see GAN ATTACHMENT 4 for additional information including restrictions related to temporary, de minimis, training, restricted, and program prescribed indirect cost rates.

**A. Unrestricted Indirect Cost Rate**

To utilize an unrestricted indirect cost rate, a grantee must have an indirect cost agreement with its cognizant agency, submit an indirect cost rate proposal to its cognizant agency for indirect

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costs (cognizant agency) within 90 days after the award of this grant or elect to utilize the de minimis rate under 2 CFR § 200.414(f) or the temporary indirect cost rate (subject to limitations described below).

The grantee must provide proof of its negotiated indirect cost rate agreement to the Department as soon as it has signed such an agreement with its cognizant agency.

**B. Temporary Indirect Cost Rate**

A grantee that does not have a current negotiated indirect cost rate agreement may recover indirect costs at a temporary rate, which is limited to 10% of budgeted direct salaries and wages (See 34 CFR § 75.560(c)); or it may choose not to charge indirect costs to the grant. The temporary rate can only be used for 90 days unless the exceptional circumstances apply under 34 CFR § 75.560(d)(2).

If the grantee has not submitted its indirect cost proposal to its cognizant agency within the 90-day period, it may no longer recover indirect costs utilizing the temporary indirect cost rate until it has negotiated an indirect cost rate agreement with its cognizant agency. Once a grantee obtains a federally recognized indirect cost rate that is applicable to this grant, the grantee may use that indirect cost rate to claim indirect cost reimbursement.

**C. De minimis Indirect Cost Rate**

Institutions of Higher Education (IHEs), federally-recognized Indian Tribes, State and Local Governments<sup>1</sup> receiving less than \$35 million in direct federal funding, and nonprofit organizations, if they do not have a current negotiated (including provisional) rate, and are not subject to the Department's training rate or restricted rate (supplement-not-supplant provisions) may elect to charge a de minimis indirect cost rate of 10% of modified total direct costs (MTDC). This rate may be used indefinitely.

MTDC consists of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and contracts up to the first \$25,000 of each subaward (i.e., subgrant). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items, including contract costs in excess of \$25,000, may be excluded when necessary to avoid a serious inequity in the distribution of indirect costs (see definition of MTDC at 2 CFR § 200.1).

Additionally, the de minimis rate may not be used by grantees that are subject to the Department's training indirect cost rate (34 CFR § 75.562) or restricted indirect cost rate. The de minimis rate may be used indefinitely. However, if a grantee chooses to use the de minimis rate to recover indirect costs, it must do so for all of its Federal awards until such time as the grantee negotiates an indirect cost rate with its cognizant agency. Once a grantee obtains a federally recognized indirect cost rate that is applicable to this grant, the grantee may use that indirect cost rate to claim indirect cost reimbursement.

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<sup>1</sup> Note that a State-funded institution of higher education is not considered a "State government" for these purposes.

**D. Programs with a Supplement-not-supplant requirement (restricted indirect cost rate)**

A restricted program (i.e., programs with statutory supplement-not-supplant requirements) grantee must utilize a restricted indirect cost rate negotiated with its cognizant agency for indirect costs, or may elect to utilize a restricted indirect cost rate of 8% MTDC if their negotiated restricted indirect cost rate calculated under 34 CFR 75.563 and 76.564 – 76.569, is not less than 8% MTDC. A State or local government<sup>2</sup> that is a restricted program grantee may not elect to utilize the 8% MTDC rate. Additionally, restricted program grantees may not utilize the de minimis rate, but may utilize the temporary rate until a restricted indirect cost rate is negotiated.

**E. Training Grant Indirect Cost Rate**

If the grantee is a training grant recipient and is not a State, local, or Tribal government<sup>3</sup>, the grantee must negotiate a rate under 34 CFR 75.562. This provision limits indirect cost recovery to 8% of modified total direct costs or the grantees negotiated indirect cost rate, whichever is less.

The recovery using the training grant indirect cost rate is subject to the following limitations:

- i. The lesser of the 8% indirect cost rate or negotiated indirect cost rate also applies to sub-awards that fund training.
- ii. The 8% limit does not apply to agencies of Indian tribal governments, local governments, and States as defined in 2 CFR § 200.1, respectively.
- iii. Indirect costs in excess of the 8% limit may not be charged directly, used to satisfy matching or cost-sharing requirements, or charged to another Federal award.
- iv. A grantee using the training rate of 8% is required to have documentation available for audit that shows that its negotiated indirect cost rate is at least 8%.

**F. Program-Specific Indirect Cost Rate**

Grantees are required to follow program-specific statutory or regulatory requirements that mandate either indirect cost rate type or maximum administrative costs recovery instead of the general requirements described here.

**VII. Audit Requirements (2 CFR Part 200 Subpart F)**

2 CFR 200 Subpart F requires that grantees that are non-Federal entities (a State, local government, Indian tribe, IHE, or nonprofit organization that carries out a Federal award as a recipient or subrecipient) obtain a non-Federal audit of their expenditures under their Federal grants if the grantee expends more than \$750,000 in Federal funds in one fiscal year. 2 CFR Part 200 Subpart F contains the requirements imposed on grantees for

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<sup>2</sup> Note that a State-funded institution of higher education is not considered a “State government” for these purposes.

<sup>3</sup> Note that a State-funded institution of higher education is not considered a “State government” for these purposes; and a Tribal college or university funded by a federally-recognized Tribe is not considered a Tribe for these purposes.

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audits done in connection with the law.

The Department recommends hiring auditors who have specific experience in auditing Federal awards under the regulations and the Compliance Supplement.

**VIII. Other Considerations**

Some other topics of financial management covered in 2 CFR Part 200 that might affect particular grants include program income (2 CFR Part 200.307), cost sharing or matching (2 CFR Part 200.306), property management requirements for equipment and other capital expenditures (2 CFR Parts 200.313, 200.439).

**MEMORANDUM TO ED DISCRETIONARY GRANTEES**

You are receiving this memorandum to remind you of Federal requirements, found in 2 CFR Part [200](#), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements*, regarding cash drawdowns under your grant account.

For any cash that you draw from your Department of Education (*the Department*) grant account, you must:

- draw down only as much cash as is necessary to meet the immediate needs of the grant project;
- keep to the minimum the time between drawing down the funds and paying them out for grant activities; and
- return to the Government the interest earned on grant funds deposited in interest-bearing bank accounts except for a small amount of interest earned each year that your entity is allowed to keep to reimburse itself for administrative expenses).

In order to meet these requirements, you are urged to:

- take into account the need to coordinate the timing of drawdowns with prior internal clearances (e.g., by boards, directors, or other officials) when projecting immediate cash needs so that funds drawn down from ED do not stay in a bank account for extended periods of time while waiting for approval;
- monitor the fiscal activity (drawdowns and payments) under your grant on a continuous basis;
- plan carefully for cash flow in your grant project during the budget period and review project cash requirements before each drawdown; and
- pay out grant funds for project activities as soon as it is practical to do so after receiving cash from the Department.

Keep in mind that the Department monitors cash drawdown activity for all grants. Department staff will contact grantees who appear to have drawn down excessive amounts of cash under one or more grants during the fiscal quarter to discuss the particular situation. For the purposes of drawdown monitoring, the Department will contact grantees who have drawn down 50% or more of the grant in the first quarter, 80% or more in the second quarter, and/or 100% of the cash in the third quarter of the budget period. However, even amounts less than these thresholds could still represent excessive drawdowns for your particular grant activities in any particular quarter. Grantees determined to have drawn down excessive cash will be required to return the excess funds to the Department, along with any associated earned interest, until such time as the money is legitimately needed to pay for grant activities. If you need assistance with returning funds and interest, please contact the Department's G5 Hotline by calling 1-888-336-8930.

Grantees that do not follow Federal cash management requirements and/or consistently appear on the Department's reports of excessive drawdowns could be:

- subjected to specific award conditions or designated as a "high-risk" grantee [2 CFR Part [200.208](#) and 2 CFR [3474.10](#)], which could mean being placed on a "cash-reimbursement" payment method (i.e., a grantee would experience the inconvenience of having to pay for grant activities with its own money and waiting to be reimbursed by the Department afterwards);



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- subject to further corrective action;
- denied selection for funding on future ED grant applications [EDGAR [75.217\(d\)\(3\)\(ii\)](#)]; and/or
- debarred or suspended from receiving future Federal awards from any executive agency of the Federal government.

You are urged to read 2 CFR Part 200.[305](#) to learn more about Federal requirements related to grant payments and to determine how to apply these requirements to any subgrantees. You are urged to make copies of this memorandum and share it with all affected individuals within your organization.

## THE USE OF GRANT FUNDS FOR CONFERENCES AND MEETINGS

You are receiving this memorandum to remind you that grantees must take into account the following factors when considering the use of grant funds for conferences and meetings:

- Before deciding to use grant funds to attend or host a meeting or conference, a grantee should:
  - Ensure that attending or hosting a conference or meeting is consistent with its approved application and is reasonable and necessary to achieve the goals and objectives of the grant;
  - Ensure that the primary purpose of the meeting or conference is to disseminate technical information, (e.g., provide information on specific programmatic requirements, best practices in a particular field, or theoretical, empirical, or methodological advances made in a particular field; conduct training or professional development; plan/coordinate the work being done under the grant); and
  - Consider whether there are more effective or efficient alternatives that can accomplish the desired results at a lower cost, for example, using webinars or video conferencing.
- Grantees must follow all applicable statutory and regulatory requirements in determining whether costs are reasonable and necessary, especially the Cost Principles for Federal grants set out at 2 CFR Part 200 Subpart E of the, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.” In particular, remember that:
  - Federal grant funds cannot be used to pay for alcoholic beverages; and
  - Federal grant funds cannot be used to pay for entertainment, which includes costs for amusement, diversion, and social activities.
- Grant funds may be used to pay for the costs of attending a conference. Specifically, Federal grant funds may be used to pay for conference fees and travel expenses (transportation, per diem, and lodging) of grantee employees, consultants, or experts to attend a conference or meeting if those expenses are reasonable and necessary to achieve the purposes of the grant.
  - When planning to use grant funds for attending a meeting or conference, grantees should consider how many people should attend the meeting or conference on their behalf. The number of attendees should be reasonable and necessary to accomplish the goals and objectives of the grant.
- A grantee hosting a meeting or conference may not use grant funds to pay for food for conference attendees unless doing so is necessary to accomplish legitimate meeting or conference business.
  - A working lunch is an example of a cost for food that might be allowable under a Federal grant if attendance at the lunch is needed to ensure the full participation by conference attendees in essential discussions and speeches concerning the purpose of the conference and to achieve the goals and objectives of the project.
- A meeting or conference hosted by a grantee and charged to a Department grant must not be promoted as a U.S. Department of Education conference. This means that the seal of the U.S. Department of Education must not be used on conference materials or signage without Department approval.

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- All meeting or conference materials paid for with grant funds must include appropriate disclaimers, such as the following:

The contents of this (insert type of publication; e.g., book, report, film) were developed under a grant from the Department of Education. However, those contents do not necessarily represent the policy of the Department of Education, and you should not assume endorsement by the Federal Government.
- Grantees are strongly encouraged to contact their project officer with any questions or concerns about whether using grant funds for a meeting or conference is allowable prior to committing grant funds for such purposes.
  - A short conversation could help avoid a costly and embarrassing mistake.
- Grantees are responsible for the proper use of their grant awards and may have to repay funds to the Department if they violate the rules on the use of grant funds, including the rules for meeting- and conference-related expenses.

**MEMORANDUM TO REMIND DEPARTMENT OF EDUCATION GRANTEEES OF EXISTING CASH  
MANAGEMENT REQUIREMENTS CONCERNING PAYMENTS**

The Department of Education (Department) requires that its grantees adhere to existing cash management requirements concerning payments and will ensure that their subgrantees are also aware of these policies by providing them relevant information. A grantee's failure to comply with cash management requirements may result in an improper payment determination by the Department in accordance with the [Payment Integrity Information Act \(PIIA\) of 2019](#).

There are three categories of payment requirements that apply to the drawdown of funds from grant accounts at the Department. The first two types of payments are subject to the requirements in the Treasury Department regulations implementing the Cash Management Improvement Act (CMIA) of 1990, 31 U.S.C.6513, and the third is subject to the requirements in the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) at 2 CFR part 200,<sup>1</sup> as follows:

1. Payments to a State under programs that are covered by a State's Treasury State Agreement (TSA);
2. Payments to States under programs that are not covered by a TSA; and
3. Payments to other non-Federal entities, including nonprofit organizations and local governments.

**CMIA Requirements Applicable to Programs included in a TSA**

Generally, under the Treasury Department regulations implementing the CMIA, only major assistance programs (large-dollar programs meeting thresholds in 31 CFR § 205.5) are included in a State's written TSA. See 31 CFR § 205, subpart A. Programs included in a TSA must use approved funding techniques and both States and the Federal government are subject to interest liabilities for late payments. State interest liabilities accrue from the day federal funds are credited to a State account to the day the State pays out the federal funds for federal assistance program purposes. 31 CFR § 205.15. If a State makes a payment under a Federal assistance program before funds for that payment have been transferred to the State, Federal Government interest liabilities accrue from the date of the State payment until the Federal funds for that payment have been deposited to the State account. 31 CFR § 205.14.

**CMIA Requirements Applicable to Programs Not Included in a TSA**

Payments to States under programs not covered by a State's TSA are subject to subpart B of Treasury's regulations in 31 CFR § 205. These regulations provide that a State must minimize the time between the drawdown of funds from the federal government and their disbursement for approved program activities. The timing and amount of funds transfers must be kept to a minimum and be as close as is administratively feasible to a State's actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs. 31 CFR § 205.33(a). States should exercise sound cash management in funds transfers to subgrantees.

---

<sup>1</sup> The Department adopted the Uniform Guidance as regulations of the Department at 2 CFR part 3474.

Under subpart B, neither the States nor the Department owe interest to the other for late payments. 31 CFR § 205.33(b). However, if a State or a Federal agency is consistently late in making payments, Treasury can require the program to be included in the State's TSA. 31 CFR § 205.35.

#### **Fund transfer requirements for grantees other than State governments and subgrantees**

The transfer of Federal program funds to grantees other than States and to subgrantees are subject to the payment and interest accrual requirements in the Uniform Guidance at 2 CFR § 200.305(b). These requirements are like those in subpart B of the Treasury Department regulations in 31 CFR part 205, requiring that "payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity." 2 CFR § 200.305(b) introduction.

The Federal Government and pass-through entities must make payments in advance of expenditures by grantees and subgrantees if these non-Federal entities maintain, or demonstrate the willingness to maintain, written procedures "that minimize the time elapsing between the transfer of funds and disbursement by the non-Federal entity, and financial management systems that meet the standards for fund control and accountability." 2 CFR § 200.305(b)(1). If a grantee or subgrantee cannot meet the criteria for advance payments, a Federal agency or pass-through entity can pay that entity through reimbursement. See 2 CFR § 200.305(b)(1) and (4) for more detailed description of the payment requirements and the standards for requiring that payments be made by reimbursement.

Non-Federal entities must maintain advance payments in interest bearing accounts unless certain conditions exist. See 2 CFR § 200.305(b)(8) for those conditions. The requirements regarding interest accrual and remittance follow:

Grantees and subgrantees must annually remit interest earned on federal advance payments except that interest earned amounts up to \$500 per year may be retained for administrative expense. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. 2 CFR § 200.305(b)(9)(i) and (ii).

1. When returning interest through ACH Direct Deposit or Fedwire, grantees must include the following in their return transaction:
  - PMS Account Number (PAN). NOTE: The PAN is the same series of alpha-numeric characters used for payment request purposes (e.g.: C1234G1).
  - PMS document number.
  - The reason for the return (e.g., interest, part interest part other, etc.).
  - An explanation stating that the refund is for interest payable to the Department of Health and Human Services, and the grant number(s) for which the interest was earned.
- a. U.S. Department of Education grantees are generally located and operate domestically and return interest domestically. Below is PSC ACH account information for interest returned

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Revised 03/2021

domestically. For international ACH interest returned, account information is available at: Returning Funds/Interest.

- PSC ACH Routing Number is: 051036706
  - PSC DFI Accounting Number: 303000
  - Bank Name: Credit Gateway - ACH Receiver
  - Location: St. Paul, MN
- b. Service charges may be incurred from a grantee's financial institution when a Fedwire to return interest is initiated. For FedWire returns, Fedwire account information is as follows:
- Fedwire Routing Number: 021030004
  - Agency Location Code (ALC): 75010501
  - Bank Name: Federal Reserve Bank
  - Treas NYC/Funds Transfer Division
  - Location: New York, NY
2. Interest may be returned by check using only the U.S. Postal Service; however, returning interest via check may take 4-6 weeks for processing before a check payment may be applied to the appropriate PMS account.
- a. Interests returned by check are to be mailed (USPS only) to:
- HHS Program Support Center  
PO Box 979132  
St. Louis, MO 63197
- A brief statement explaining the nature of the return must be included.
- b. To return interest on a grant not paid through the PMS, make the check payable to the Department of Health and Human Services, and include the following with the check:
- An explanation stating that the refund is for interest
  - The name of the awarding agency
  - The grant number(s) for which the interest was earned
  - The return should be made payable to: Department of Health and Human Services.
3. For detailed information about how to return interest, visit the PSC Returning Funds/Interest page at: [Returning Funds/Interest](#)

Grantees, including grantees that act as pass-through entities and subgrantees have other responsibilities regarding the use of Federal funds. For example, all grantees and subgrantees must have procedures for determining the allowability of costs for their awards. We highlight the following practices related to the oversight of subgrantee compliance with the financial management requirements in the Uniform Guidance that will assist State grantees (pass-through entities) in meeting their monitoring responsibilities. Under 2 CFR § 200.332, pass-through entities must –

**GAN ENCLOSURE 4**

**Revised 03/2021**

1. Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.
2. Monitor the performance and fiscal activities of the subrecipient to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

A small number of Department grant programs have program-specific cash management and payment requirements based on the authorizing legislation or program regulations. These program-specific requirements may supplement or override general cash management or payment requirements. If you have any questions about your specific grant, please contact the Education Program Contact listed in Block 3 of your Grant Award Notification.

**RECIPIENTS OF DEPARTMENT OF EDUCATION GRANTS AND COOPERATIVE AGREEMENTS  
FREQUENTLY ASKED QUESTIONS ON CASH MANAGEMENT**

**Q What are the Federal Laws and Regulations Regarding Payments to the States?**

**A** The *Cash Management Improvement Act of 1990 (CMIA)* establishes interest liabilities for the Federal and State governments when the Federal Government makes payments to the States. See 31 U.S.C. 3335 and 6503. The implementing regulations are in Title 31 of the Code of Federal Regulations (CFR), Part 205, [https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title31/31cfr205\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title31/31cfr205_main_02.tpl). Non-Federal entities other than States follow the rules on Federal payments set out in 2 CFR 200.305.

**Q What is a Treasury-State Agreement (TSA)?**

**A** A TSA documents the accepted funding techniques and methods for calculating interest agreed upon by the U.S. Department of the Treasury (Treasury) and a State. It identifies the Federal assistance programs that are subject to interest liabilities under the CMIA. The CMIA regulations specify a number of different funding techniques that may be used by a State but a State can negotiate with the Treasury Department to establish a different funding technique for a particular program. A TSA is effective until terminated and, if a state does not have a TSA, payments to the State are subject to the default techniques in the regulations that Treasury determines are appropriate.

**Q What are the CMIA requirements for a program subject to a Treasury-State Agreement?**

**A** Payments to a State under a program of the Department are subject to the interest liability requirements of the CMIA if the program is included in the State's Treasury-State Agreement (TSA) with the Department of Treasury. If the Federal government is late in making a payment to a State, it owes interest to the State from the time the State spent its funds to pay for expenditure until the time the Federal government deposits funds to the State's account to pay for the expenditure. Conversely, if a State is late in making a payment under a program of the Department, the State owes interest to the Federal government from the time the Federal government deposited the funds to the State's account until the State uses those funds to make a payment. For more information, GAN Enclosure 4.

**Q What are the CMIA requirements for a program that is not subject to a Treasury-State Agreement?**

**A** If a program is not included in the State's TSA, neither the State nor the Federal government are liable for interest for making late payments. However, both the Federal government and the State must minimize the time elapsing between the date the State requests funds and the date that the funds are deposited to the State's accounts. The State is also required to minimize the time elapsed between the date it receives funds from the Federal government and the date it makes a payment under the program. Also, the Department must minimize the amount of funds transferred to a State to only that needed to meet the immediate cash needs of the State. The timing and amount of funds transferred must be as close as is administratively feasible to a State's actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs.

**Q What if there is no TSA?**



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- A** When a State does not have a TSA in effect, default procedures in 31 CFR, part 205 that the Treasury Department determines appropriate apply. The default procedures will prescribe efficient funds transfer procedures consistent with State and Federal law and identify the covered Federal assistance programs and designated funding techniques.

**Q Who is responsible for Cash Management?**

- A** Grantees and subgrantees that receive grant funds under programs of the Department are responsible for maintaining internal controls regarding the management of Federal program funds under the Uniform Guidance in 2 CFR 200.302 and 200.303. In addition, grantees are responsible for ensuring that subgrantees are aware of the cash management and requirements in 2 CFR part 200, subpart D.

**Q Who is responsible for monitoring cash drawdowns to ensure compliance with cash management policies?**

- A** Recipients must monitor their own cash drawdowns **and** those of their subrecipients to assure substantial compliance to the standards of timing and amount of advances.

**Q How soon may I draw down funds from the G5 grants management system?**

- A** Grantees are required to minimize the amount of time between the drawdown and the expenditure of funds from their bank accounts. (See 2 CFR 200.305(b).) Funds must be drawn only to meet a grantee's immediate cash needs for each individual grant. The G5 screen displays the following message:

**By submitting this payment request, I certify to the best of my knowledge and belief that the request is based on true, complete, and accurate information. I further certify that the expenditures and disbursements made with these funds are for the purposes and objectives set forth in the applicable Federal award or program participation agreement, and that the organization on behalf of which this submission is being made is and will remain in compliance with the terms and conditions of that award or program participation agreement. I am aware that the provision of any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me, and the organization on behalf of which this submission is being made, to criminal, civil, or administrative penalties for fraud, false statements, false claims, or other violations. (U.S. Code Title 18, Section 1001; Title 20, Section 1097; and Title 31, Sections 3729-3730 and 3801-3812)**

**Q How may I use Federal funds?**

- A** Federal funds must be used as specified in the Grant Award Notification (GAN) and the approved application or State plan for allowable direct costs of the grant and an allocable portion of indirect costs, if authorized.

**Q What are the consequences to recipients/subrecipients for not complying with terms of the grant award?**

- A** If a recipient or subrecipient materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, including those in 2 CFR part 200, an assurance, the GAN, or elsewhere, the awarding agency may in accordance with 2 CFR 200.339 take one or more of the following actions:

**GAN ATTACHMENT 5**

Revised 03/2021

1. Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
2. Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity not in compliance.
3. Wholly or partly suspend or terminate the Federal award.
4. Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal award agency regulations (or in the case of a pass-through be initiated by a Federal awarding agency).
5. Withhold further Federal awards for the project or program.
6. Take other remedies that may be legally available.

**Q Who is responsible for determining the amount of interest owed to the Federal government?**

**A** As set forth in 31 CFR 205.9, the method used to calculate and document interest liabilities is included in the State's TSA. A non-State entity must maintain advances of Federal funds in interest-bearing accounts unless certain limited circumstance apply and remit interest earned on those funds to the Department of Health and Human Services, Payment Management System annually. See 2 CFR 200.305.

**Q What information should accompany my interest payment?**

**A** In accordance with 2 CFR 200.305(b)(9), interest in excess of \$500.00 earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment.

For returning interest on Federal awards paid through PMS, the refund should:

- (a) Provide an explanation stating that the refund is for interest;
- (b) List the PMS Payee Account Number(s) (PANs);
- (c) List the Federal award number(s) for which the interest was earned; and
- (d) Make returns payable to: Department of Health and Human Services.

For returning interest on Federal awards not paid through PMS, the refund should:

- (a) Provide an explanation stating that the refund is for interest;
- (b) Include the name of the awarding agency;
- (c) List the Federal award number(s) for which the interest was earned; and
- (d) Make returns payable to: Department of Health and Human Services.

For additional information about returning interest see GAN ATTACHMENT 4.

**Q Are grant recipients/subrecipients automatically permitted to draw funds in advance of the time they need to disburse funds in order to liquidate obligations?**

**A** The payment requirements in 2 CFR 200.305(b) authorize a grantee or subgrantee to request funds in advance of expenditures if certain conditions are met. However, if those conditions are not met, the Department and a pass-through agency may place a payee on reimbursement.

**GAN ATTACHMENT 5**

Revised 03/2021

- Q For formula grant programs such as ESEA Title I, for which States distribute funds to LEAs, may States choose to pay LEAs on a reimbursement basis?**
- A** A subgrantee must be paid in advance if it meets the standards for advance payments in 2 CFR 200.305(b)(1) but if the subgrantee cannot meet those standards, the State may put the subgrantee on reimbursement payment. See 2 CFR 200.305(b).
- Q Will the Department issue special procedures in advance if G5 plans to shut down for 3 days or more?**
- A** Yes, before any shutdown of G5 lasting three days or more, the Department issues special guidance for drawing down funds during the shut down. The guidance will include cash management improvement act procedures for States and certain State institutions of higher education and procedures for grants (including Pell grants) that are not subject to CMIA.

## EXHIBIT C

S336S200007 - 23  
Briana Ronan  
Cal Poly Corporation  
1 Grand Avenue  
San Luis Obispo, CA 93407

S336S200007 - 23

Amy Velasco  
Cal Poly Corporation  
1 Grand Avenue  
San Luis Obispo, CA 93407

1	RECIPIENT NAME Cal Poly Corporation 1 Grand Avenue San Luis Obispo, CA 93407	2	AWARD INFORMATION PR/AVVARD NUMBER: S336S200007 - 23 ACTION NUMBER: 8 ACTION TYPE: Administrative AVVARDTYPE: Discretionary
3	PROJECT STAFF RECIPIENT PROJECT DIRECTOR: Brian.a Ronan (805) 756-5056 b.co.gan@cal12olx.edu EDUCATION PR.C>GR.AJ\T.CON-TACT Louis Edwards (202) 453-6778 L..Q.IJIS "E.QWAIL"QS@ED.QQV EDUCATION PAY.t.II.E.NT HOTLINE GS PAY-EE HELPDISK 888-336-8930 obssed@SeJ:Yjcenowse(:Y:ices coxn	4	PROJECT TITLE 84.336S Cal Poly TIER.: Teaching for Inclusivity and Equity Residency Program
5	KEY PERSONNEL Brian.a Ronan Project Director Amy Velasco Authorized Representative L..ev.E.L. Q.E.EEQLL 25 o/o 1 o/o		
6	AWARD PERIODS BUDGET PERIOD 10/01/2023 - 09/30/2024 PER.FOR.I.v1:A.NCE PERIOD 10/01/2020 - 02/12/2025 FUTURE BUDGET PERIODS BJ!J2QEI :fEBIQD 10/01/2024 - 02/12/2025 A:MOJTNT \$597,691.00		
7	ADMINISTRATIVE FEES THIS ACTION N/A BUDGET PERIOD \$517,669.00 PERFOR.I\I.A CE PERIOD \$2,165,033_QQ		
8	ADMINISTRATIVE INFORMATION UEI 1,11C4RJ.TI119X-LT5 REGULATIONS EDGAR AS APPLICABLE ATTACHMENTS 2 CFR AS APPLICABLE N/A		
9	LEGISLATIVE AND FISCAL DATA AUTHORITY: PLP.L. 110-315 TITLE II HIG R. EDUCATION ACT, AS AJM:ENDED PR.OGR.AIVC TITLE: TEAC R. QUALITY ENFLANCEJM:ENT GR.ANTS FOR. STATE AND CFDA/SUBPR.OGR.AIVI NO: PARTNER.SHIIPS 84.336S		



WASHINGTON, D.C. 20202

GRANT AWARD NOTIFICATION

10

PR./A-W-AR.I: > ER: S336\$200007 - 23  
RECIPIENT NAJVIE: Cal Poly Corporation  
GR.ANTEE NAJ'vIE: CALPOLY CORPORATION  
1 GRAN""D AVE BLDG 15,,  
SAN LIJ""IS OBISPO,, CA 93407 - 9000  
PROGR.AJVI INDIRECT COST TYPE: Restricted  
PROJECT INI>IR..ECT COST RATE: 2o/o

TERMS AND CONDITIONS

- (1) THE BUDGET PERIOD AND PERFORJVANCE PERIOD FOR THIS PROJECT ARE CHANGED TO THE DATES IN BLOCK. 6. N o ADDITIONAL F DS A R PROVIDED :a-y THIS ACTION.
- (2) The grant is deemed to be inconsistent with, and no longer effectuates,, Depa.rtnent priorities. See2 C.F.R.. 200.340(a) (4); see also 34 C.F.R.. 75.253.

LAVANNA WEEMS Digitally signed by LAVANNA WEEMS  
Date: 2025.02.12 09:10:24 -05'00'

AUTFI:ORIZING OFFICIAL

DATE



**EXPLANATION OF BLOCKS ON THE GRANT AWARD NOTIFICATION****For Discretionary, Formula and Block Grants** (See Block 2 of the Notification)

- 1. RECIPIENT NAME** - The legal name of the recipient or name of the primary organizational unit that was identified in the application, state plan or other documents required to be submitted for funding by the grant program.
- 2. AWARD INFORMATION** - Unique items of information that identify this notification.
  - PR/AWARD NUMBER**- A unique, identifying number assigned by the Department to each application. On funded applications, this is commonly known as the "grant number" or "document number." The PR/Award Number is also known as the Federal Award Identifying Number, or FAIN.
  - ACTION NUMBER** - A numeral that represents the cumulative number of steps taken by the Department to date to establish or modify the award through fiscal or administrative means. Action number "01" will always be "NEW AWARD"
  - ACTION TYPE** - The nature of this notification (e.g., NEW AWARD, CONTINUATION, REVISION, ADMINISTRATIVE)
  - AWARD TYPE** - The particular assistance category in which funding for this award is provided, i.e., DISCRETIONARY, FORMULA, or BLOCK. If this award was made under a Research and Development grant program, the terms RESEARCH AND DEVELOPMENT will appear under DISCRETIONARY, FORMULA OR BLOCK.
- 3. PROJECT STAFF** - This block contains the names and telephone numbers of the U.S. Department of Education and recipient staff who are responsible for project direction and oversight.
  - \*RECIPIENT PROJECT DIRECTOR** - The recipient staff person responsible for administering the project. This person represents the recipient to the U.S. Department of Education.
  - EDUCATION PROGRAM CONTACT** - The U.S. Department of Education staff person responsible for the programmatic, administrative and business management concerns of the Department.
  - EDUCATION PAYMENT CONTACT** - The U.S. Department of Education staff person responsible for payments or questions concerning electronic drawdown and financial expenditure reporting.
- 4. PROJECT TITLE AND CFDA NUMBER** - Identifies the Catalog of Federal Domestic Assistance (CFDA) subprogram title and the associated subprogram number.
- 5. \* KEY PERSONNEL** - Name, title and percentage (%) of effort the key personnel identified devotes to the project.
- 6. AWARD PERIODS** - Project activities and funding are approved with respect to three different time periods, described below:
  - BUDGET PERIOD** - A specific interval of time for which Federal funds are being provided from a particular fiscal year to fund a recipient's approved activities and budget. The start and end dates of the budget period are shown.
  - PERFORMANCE PERIOD** - The complete length of time the recipient is proposed to be funded to complete approved activities. A performance period may contain one or more budget periods.
  - \*FUTURE BUDGET PERIODS** - The estimated remaining budget periods for multi-year projects and estimated funds the Department proposes it will award the recipient provided substantial progress is made by the recipient in completing approved activities, the Department determines that continuing the project would be in the best interest of the Government, Congress appropriates sufficient funds under the program, and the recipient has submitted a performance report that provides the most current performance information and the status of budget expenditures.
- 7. AUTHORIZED FUNDING** - The dollar figures in this block refer to the Federal funds provided to a recipient during the award periods.
  - \*THIS ACTION** - The amount of funds obligated (added) or de-obligated (subtracted) by this notification.
  - \*BUDGET PERIOD** - The total amount of funds available for use by the grantee during the stated budget period to this date.
  - \*PERFORMANCE PERIOD** - The amount of funds obligated from the start date of the first budget period to this date.
  - RECIPIENT COST SHARE** - The funds, expressed as a percentage, that the recipient is required to contribute to the project, as defined by the program legislation or regulations and/or terms and conditions of the award.
  - RECIPIENT NON-FEDERAL AMOUNT** - The amount of non-federal funds the recipient must contribute to the project as identified in the recipient's application. When non-federal funds are identified by the recipient where a cost share is not a legislation requirement, the recipient will be required to provide the non-federal funds.
- 8. ADMINISTRATIVE INFORMATION** - This information is provided to assist the recipient in completing the approved activities and managing the project in accordance with U.S. Department of Education procedures and regulations.
  - UEI** - The UEI, issued in SAM.gov, is a unique 12 character organization identifier assigned to each recipient for payment purposes.

**\*REGULATIONS** - Title 2 of the Code of Federal Regulations(CFR), Part 200 as adopted at 2 CFR 3474; the applicable parts of the Education Department General Administrative Regulations (EDGAR), specific program regulations (if any), and other titles of the CFR that govern the award and administration of this grant.

**\*ATTACHMENTS** - Additional sections of the Grant Award Notification that discuss payment and reporting requirements, explain Department procedures, and add special terms and conditions in addition to those established, and shown as clauses, in Block 10 of the award. Any attachments provided with a notification continue in effect through the project period until modified or rescinded by the Authorizing Official.

**9. LEGISLATIVE AND FISCAL DATA** - The name of the authorizing legislation for this grant, the CFDA title of the program through which funding is provided, and U.S.Department of Education fiscal information.

**FUND CODE, FUNDING YEAR, AWARD YEAR, ORG.CODE, PROJECT CODE, OBJECT CLASS** -

The fiscal information recorded by the U.S. Department of Education's Grants Management System (G5) to track obligations by award.

**AMOUNT** - The amount of funds provided from a particular appropriation and project code. Some notifications authorize more than one amount from separate appropriations and/or project codes. The total of all amounts in this block equals the amount shown on the line, "THIS ACTION" (See "AUTHORIZED FUNDING" above (Block 7)).

**IO. TERMS AND CONDITIONS** - Requirements of the award that are binding on the recipient.

**\*PARTICIPANT NUMBER** - The number of eligible participants the grantee is required to serve during the budget year.

**\*GRANTEE NAME** - The entity name and address registered in the System for Award Management (SAM). This name and address is tied to the UEI registered in SAM under the name and address appearing in this field. This name, address and the associated UEI is what is displayed in the SAM Public Search.

**\*PROGRAM INDIRECT COST TYPE** - The type of indirect cost permitted under the program (i.e. Restricted, Unrestricted, or Training).

**\*PROJECT INDIRECT COST RATE** - The indirect cost rate applicable to this grant.

**\*AUTHORIZING OFFICIAL** - The U.S.Department of Education official authorized to award Federal funds to the recipient, establish or change the terms and conditions of the award, and authorize modifications to the award

**FOR FORMULA AND BLOCK GRANTS ONLY:**

(See also Blocks 1, 2, 4, 6, 8, 9 and IO above)

**3. PROJECT STAFF** - The U.S.Department of Education staff persons to be contacted for programmatic and payment questions.

**7. AUTHORIZED FUNDING**

**CURRENT AWARD AMOUNT**- The amount of funds that are obligated (added) or de-obligated (subtracted) by this action.

**PREVIOUS CUMULATIVE AMOUNT** - The total amount of funds awarded under the grant before this action.

**CUMULATIVE AMOUNT** - The total amount of funds awarded under the grant, this action included.

**IO. AFFILIATE** - If an affiliate digital signature appears on this GAN, it is the digital signature belonging to the individual delegated the authority to affix the Authorizing Official's signature to the GAN.

---

\* This item differs or does not appear on formula and block grants.

## EXHIBIT D

S336S200007 - 23  
Briana Ronan  
Cal Poly Corporation  
1 Grand Avenue  
San Luis Obispo, CA 93407

S336S200007 - 23

Amy Velasco  
Cal Poly Corporation  
1 Grand Avenue  
San Luis Obispo, CA 93407



**US Department of Education  
Washington, D.C. 20202**

S336S200007 - 23

**GRANT AWARD NOTIFICATION**

<b>1</b>	<b>RECIPIENT NAME</b>  Cal Poly Corporation 1 Grand Avenue San Luis Obispo, CA 93407	<b>2</b>	<b>AWARD INFORMATION</b>  PR/AWARD NUMBER      S336S200007 - 23 ACTION NUMBER        9 ACTION TYPE            Administrative AWARD TYPE            Discretionary										
<b>3</b>	<b>PROJECT STAFF</b>  <b>RECIPIENT PROJECT DIRECTOR</b> Briana Ronan                      (805) 756-5056 <a href="mailto:bronan@calpoly.edu">bronan@calpoly.edu</a> <b>EDUCATION PROGRAM CONTACT</b> Louis Edwards                      (202) 453-6778 <a href="mailto:LOUIS.EDWARDS@ED.GOV">LOUIS.EDWARDS@ED.GOV</a> <b>EDUCATION PAYMENT HOTLINE</b> G5 PAYEE HELPDESK      888-336-8930 <a href="mailto:obssed@servicenowservices.com">obssed@servicenowservices.com</a>	<b>4</b>	<b>PROJECT TITLE</b>  84.336S Cal Poly TIER: Teaching for Inclusivity and Equity Residency Program										
<b>5</b>	<b>KEY PERSONNEL</b>  <table> <thead> <tr> <th><u>NAME</u></th><th><u>TITLE</u></th><th><u>LEVEL OF EFFORT</u></th></tr> </thead> <tbody> <tr> <td>Briana Ronan</td><td>Project Director</td><td>25 %</td></tr> <tr> <td>Amy Velasco</td><td>Authorized Representative</td><td>1 %</td></tr> </tbody> </table>			<u>NAME</u>	<u>TITLE</u>	<u>LEVEL OF EFFORT</u>	Briana Ronan	Project Director	25 %	Amy Velasco	Authorized Representative	1 %	
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Amy Velasco	Authorized Representative	1 %											
<b>6</b>	<b>AWARD PERIODS</b>  <table> <tbody> <tr> <td>BUDGET PERIOD</td><td>10/01/2023 - 09/30/2024</td></tr> <tr> <td>PERFORMANCE PERIOD</td><td>10/01/2020 - 02/13/2025</td></tr> </tbody> </table> <b>FUTURE BUDGET PERIODS</b>  <table> <thead> <tr> <th><u>BUDGET PERIOD</u></th><th><u>DATE</u></th><th><u>AMOUNT</u></th></tr> </thead> <tbody> <tr> <td>5</td><td>10/01/2024 - 02/13/2025</td><td>\$597,691.00</td></tr> </tbody> </table>			BUDGET PERIOD	10/01/2023 - 09/30/2024	PERFORMANCE PERIOD	10/01/2020 - 02/13/2025	<u>BUDGET PERIOD</u>	<u>DATE</u>	<u>AMOUNT</u>	5	10/01/2024 - 02/13/2025	\$597,691.00
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**US Department of Education  
Washington, D.C. 20202**

S336S200007 - 23

**GRANT AWARD NOTIFICATION**

**10**

PR/AWARD NUMBER: S336S200007 - 23  
 RECIPIENT NAME: Cal Poly Corporation  
 GRANTEE NAME: CAL POLY CORPORATION  
 1 GRAND AVE BLDG 15,  
 SAN LUIS OBISPO, CA 93407 - 9000  
 PROGRAM INDIRECT COST TYPE: Restricted  
 PROJECT INDIRECT COST RATE: 2%

**TERMS AND CONDITIONS**

- (1) THE BUDGET PERIOD AND PERFORMANCE PERIOD FOR THIS PROJECT ARE CHANGED TO THE DATES IN BLOCK 6. NO ADDITIONAL FUNDS ARE PROVIDED BY THIS ACTION.
- (2) On Wednesday, February 12, 2025, you received an administrative action notice through the G5 system, alerting you through an updated grant award notice (GAN) that one of your grants had been deemed to be inconsistent with, and no longer effectuates, Department priorities. See 2 C.F.R. 200.340(a)(4); see also 34 C.F.R. 75.253. An email notification terminating the grant should have preceded the administrative action, but in fact, there was a subset of them that were not dispatched until today, Thursday, February 13, 2025. What this means for your grant and program is that the effective date will be extended, and the effective date of the termination action will be as of today, February 13, 2025 instead, and not yesterday, February 12, 2025. We apologize for this timing error, and we regret any confusion or inconvenience the sequence of these actions may have caused. This GAN reflects the new effective date for the termination, replacing yesterday s date. Thank you for your understanding.

**LAVANNA WEEMS** Digitally signed by LAVANNA WEEMS  
 Date: 2025.02.13 23:55:24 -05'00'

\_\_\_\_\_  
**AUTHORIZING OFFICIAL**

\_\_\_\_\_  
**DATE**

**EXPLANATION OF BLOCKS ON THE GRANT AWARD NOTIFICATION****For Discretionary, Formula and Block Grants** (See Block 2 of the Notification)

- 1. RECIPIENT NAME** - The legal name of the recipient or name of the primary organizational unit that was identified in the application, state plan or other documents required to be submitted for funding by the grant program.
- 2. AWARD INFORMATION** - Unique items of information that identify this notification.
  - PR/AWARD NUMBER**- A unique, identifying number assigned by the Department to each application. On funded applications, this is commonly known as the "grant number" or "document number." The PR/Award Number is also known as the Federal Award Identifying Number, or FAIN.
  - ACTION NUMBER** - A numeral that represents the cumulative number of steps taken by the Department to date to establish or modify the award through fiscal or administrative means. Action number "01" will always be "NEW AWARD"
  - ACTION TYPE** - The nature of this notification (e.g., NEW AWARD, CONTINUATION, REVISION, ADMINISTRATIVE)
  - AWARD TYPE** - The particular assistance category in which funding for this award is provided, i.e., DISCRETIONARY, FORMULA, or BLOCK. If this award was made under a Research and Development grant program, the terms RESEARCH AND DEVELOPMENT will appear under DISCRETIONARY, FORMULA OR BLOCK.
- 3. PROJECT STAFF** - This block contains the names and telephone numbers of the U.S. Department of Education and recipient staff who are responsible for project direction and oversight.
  - \*RECIPIENT PROJECT DIRECTOR** - The recipient staff person responsible for administering the project. This person represents the recipient to the U.S. Department of Education.
  - EDUCATION PROGRAM CONTACT** - The U.S. Department of Education staff person responsible for the programmatic, administrative and business management concerns of the Department.
  - EDUCATION PAYMENT CONTACT** - The U.S. Department of Education staff person responsible for payments or questions concerning electronic drawdown and financial expenditure reporting.
- 4. PROJECT TITLE AND CFDA NUMBER** - Identifies the Catalog of Federal Domestic Assistance (CFDA) subprogram title and the associated subprogram number.
- 5. \* KEY PERSONNEL** - Name, title and percentage (%) of effort the key personnel identified devotes to the project.
- 6. AWARD PERIODS** - Project activities and funding are approved with respect to three different time periods, described below:
  - BUDGET PERIOD** - A specific interval of time for which Federal funds are being provided from a particular fiscal year to fund a recipient's approved activities and budget. The start and end dates of the budget period are shown.
  - PERFORMANCE PERIOD** - The complete length of time the recipient is proposed to be funded to complete approved activities. A performance period may contain one or more budget periods.
  - \*FUTURE BUDGET PERIODS** - The estimated remaining budget periods for multi-year projects and estimated funds the Department proposes it will award the recipient provided substantial progress is made by the recipient in completing approved activities, the Department determines that continuing the project would be in the best interest of the Government, Congress appropriates sufficient funds under the program, and the recipient has submitted a performance report that provides the most current performance information and the status of budget expenditures.
- 7. AUTHORIZED FUNDING** - The dollar figures in this block refer to the Federal funds provided to a recipient during the award periods.
  - \*THIS ACTION** - The amount of funds obligated (added) or de-obligated (subtracted) by this notification.
  - \*BUDGET PERIOD** - The total amount of funds available for use by the grantee during the stated budget period to this date.
  - \*PERFORMANCE PERIOD** - The amount of funds obligated from the start date of the first budget period to this date.
  - RECIPIENT COST SHARE** - The funds, expressed as a percentage, that the recipient is required to contribute to the project, as defined by the program legislation or regulations and/or terms and conditions of the award.
  - RECIPIENT NON-FEDERAL AMOUNT** - The amount of non-federal funds the recipient must contribute to the project as identified in the recipient's application. When non-federal funds are identified by the recipient where a cost share is not a legislation requirement, the recipient will be required to provide the non-federal funds.
- 8. ADMINISTRATIVE INFORMATION** - This information is provided to assist the recipient in completing the approved activities and managing the project in accordance with U.S. Department of Education procedures and regulations.
  - UEI** - The UEI, issued in SAM.gov, is a unique 12 character organization identifier assigned to each recipient for payment purposes.



**\*REGULATIONS** - Title 2 of the Code of Federal Regulations(CFR), Part 200 as adopted at 2 CFR 3474; the applicable parts of the Education Department General Administrative Regulations (EDGAR), specific program regulations (if any), and other titles of the CFR that govern the award and administration of this grant.

**\*ATTACHMENTS** - Additional sections of the Grant Award Notification that discuss payment and reporting requirements, explain Department procedures, and add special terms and conditions in addition to those established, and shown as clauses, in Block 10 of the award. Any attachments provided with a notification continue in effect through the project period until modified or rescinded by the Authorizing Official.

**9. LEGISLATIVE AND FISCAL DATA** - The name of the authorizing legislation for this grant, the CFDA title of the program through which funding is provided, and U.S.Department of Education fiscal information.

**FUND CODE, FUNDING YEAR, AWARD YEAR, ORG.CODE, PROJECT CODE, OBJECT CLASS** -

The fiscal information recorded by the U.S. Department of Education's Grants Management System (G5) to track obligations by award.

**AMOUNT** - The amount of funds provided from a particular appropriation and project code. Some notifications authorize more than one amount from separate appropriations and/or project codes. The total of all amounts in this block equals the amount shown on the line, "THIS ACTION" (See "AUTHORIZED FUNDING" above (Block 7)).

**IO. TERMS AND CONDITIONS** - Requirements of the award that are binding on the recipient.

**\*PARTICIPANT NUMBER** - The number of eligible participants the grantee is required to serve during the budget year.

**\*GRANTEE NAME** - The entity name and address registered in the System for Award Management (SAM). This name and address is tied to the UEI registered in SAM under the name and address appearing in this field. This name, address and the associated UEI is what is displayed in the SAM Public Search.

**\*PROGRAM INDIRECT COST TYPE** - The type of indirect cost permitted under the program (i.e. Restricted, Unrestricted, or Training).

**\*PROJECT INDIRECT COST RATE** - The indirect cost rate applicable to this grant.

**\*AUTHORIZING OFFICIAL** - The U.S.Department of Education official authorized to award Federal funds to the recipient, establish or change the terms and conditions of the award, and authorize modifications to the award

**FOR FORMULA AND BLOCK GRANTS ONLY:**

(See also Blocks 1, 2, 4, 6, 8, 9 and IO above)

**3. PROJECT STAFF** - The U.S.Department of Education staff persons to be contacted for programmatic and payment questions.

**7. AUTHORIZED FUNDING**

**CURRENT AWARD AMOUNT**- The amount of funds that are obligated (added) or de-obligated (subtracted) by this action.

**PREVIOUS CUMULATIVE AMOUNT** - The total amount of funds awarded under the grant before this action.

**CUMULATIVE AMOUNT** - The total amount of funds awarded under the grant, this action included.

**IO. AFFILIATE** - If an affiliate digital signature appears on this GAN, it is the digital signature belonging to the individual delegated the authority to affix the Authorizing Official's signature to the GAN.

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\* This item differs or does not appear on formula and block grants.

EXHIBITE



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF SECONDARY AND ELEMENTARY EDUCATION  
OFFICE OF ADMINISTRATION

Briana Ronan  
Project Director  
CAL POLY CORPORATION  
1 Grand Avenue  
San Luis Obispo, CA 93407

RE: Grant Award Termination

Dear Briana Ronan :

This letter provides notice that the United States Department of Education is terminating your federal award, S336S200007. *See* 2 C.F.R. § 200.340-43; *see also* 34 C.F.R. § 75.253.

It is a priority of the Department of Education to eliminate discrimination in all forms of education throughout the United States. The Acting Secretary of Education has determined that, per the Department's obligations to the constitutional and statutory law of the United States, this priority includes ensuring that the Department's grants do not support programs or organizations that promote or take part in diversity, equity, and inclusion ("DEI") initiatives or any other initiatives that unlawfully discriminate on the basis of race, color, religion, sex, national origin, or another protected characteristic. Illegal DEI policies and practices can violate both the letter and purpose of Federal civil rights law and conflict with the Department's policy of prioritizing merit, fairness, and excellence in education. In addition to complying with the civil rights laws, it is vital that the Department assess whether all grant payments are free from fraud, abuse, and duplication, as well as to assess whether current grants are in the best interests of the United States.

The grant specified above provides funding for programs that promote or take part in DEI initiatives or other initiatives that unlawfully discriminate on the basis of race, color, religion, sex, national origin, or another protected characteristic; that violate either the letter or purpose of Federal civil rights law; that conflict with the Department's policy of prioritizing merit, fairness, and excellence in education; that are not free from fraud, abuse, or duplication; or that otherwise fail to serve the best interests of the United States. The grant is therefore inconsistent with, and no longer effectuates, Department priorities. *See* 2 C.F.R. § 200.340(a)(4); *see also* 34 C.F.R. § 75.253. Therefore, pursuant to, among other authorities, 2 C.F.R. § 200.339-43, 34 C.F.R. § 75.253, and the termination provisions in your grant award, the Department hereby terminates grant No. S336S200007 in its entirety effective 2/13/25.

400 MARYLAND AVE., S.W., WASHINGTON, DC 20202  
[www.ed.gov](http://www.ed.gov)

If you wish to object to or challenge this termination decision, you must submit information and documentation supporting your position in writing within 30 calendar days of the date of this termination notice. Objections and challenges must be sent by email and first-class mail and addressed to the component head that oversees the grantmaking unit, which will typically be the Assistant Secretary of that unit. In this case, please address your objection or challenge to Ruth Ryder, Acting Assistant Secretary; Office of Elementary and Secondary Education; 400 Maryland Ave., SW; Washington, D.C. 20202; [ruth.ryder@ed.gov](mailto:ruth.ryder@ed.gov).

Your appeal should contain the following:

1. a copy of the written notice of termination;
2. the date you received written notice of termination;
3. a brief statement of your argument and the disputed factual, legal, or other issues;
4. the amount of funds or costs in dispute, if any; and
5. any other relevant documents.

*See id.* § 200.342.

Costs incurred by you after this termination are allowable only if (a) those costs were properly incurred by you before the effective date of this termination, and not in anticipation of it; and (b) those costs would be allowable if your federal award was not suspended or expired normally at the end of the period of performance in which the termination takes effect. *See* 2 C.F.R. § 200.343. You are encouraged to carefully review and discharge your closeout responsibilities set forth in 2 C.F.R. § 200.344-45 and your award agreement. Those responsibilities include, but are not limited to, your obligation to “promptly refund any unobligated funds” that have been paid out but “are not authorized to be retained.” *See* 2 C.F.R. § 200.344(g). Failure to do so will result in the Department filing a report documenting your “material failure to comply with the terms and conditions of” this award on SAM.gov and taking any other appropriate enforcement actions. *See id.* § 200.344(i).

Finally, you are reminded of your duties under your agreement and Department of Education guidance regarding retention of grant records for at least three years.

Respectfully,

MARK  
WASHINGTON

Digitally signed by MARK  
WASHINGTON  
Date: 2025.02.13  
21:38:37 -05'00'

Deputy Assistant Secretary for Management and Planning

cc: Ruth Ryder

400 MARYLAND AVE., S.W., WASHINGTON, DC 20202  
[www.ed.gov](http://www.ed.gov)